FREIGHT TRAFFIC ISSUE

Industrial traffic managers predict **better business** conditions in '63. . . . . p. 29

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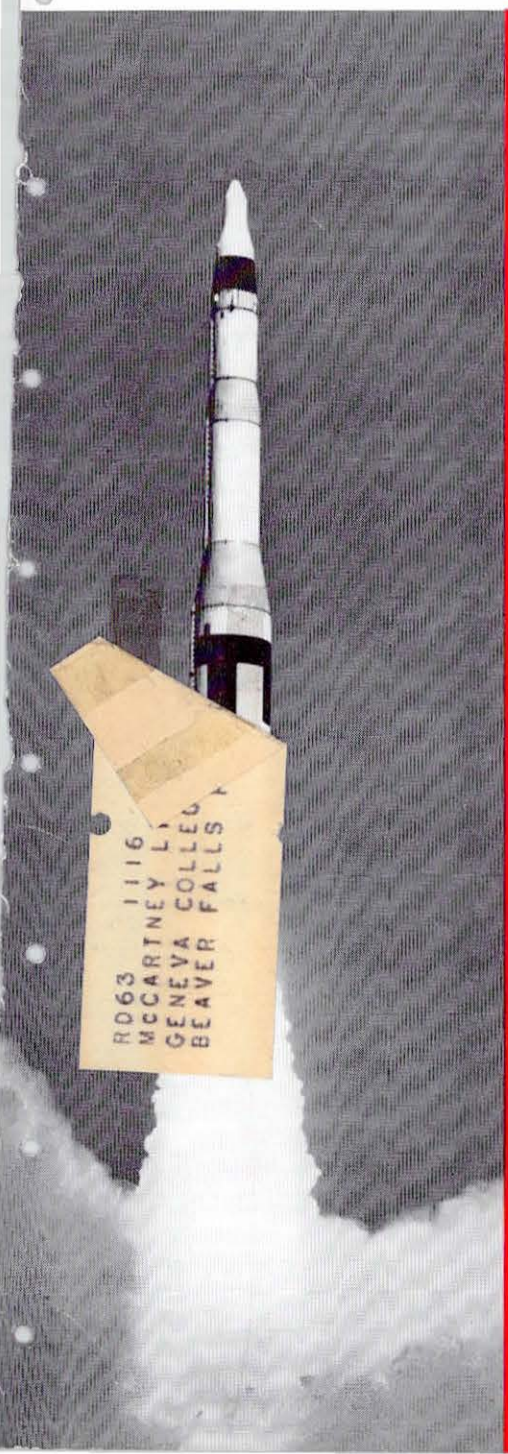
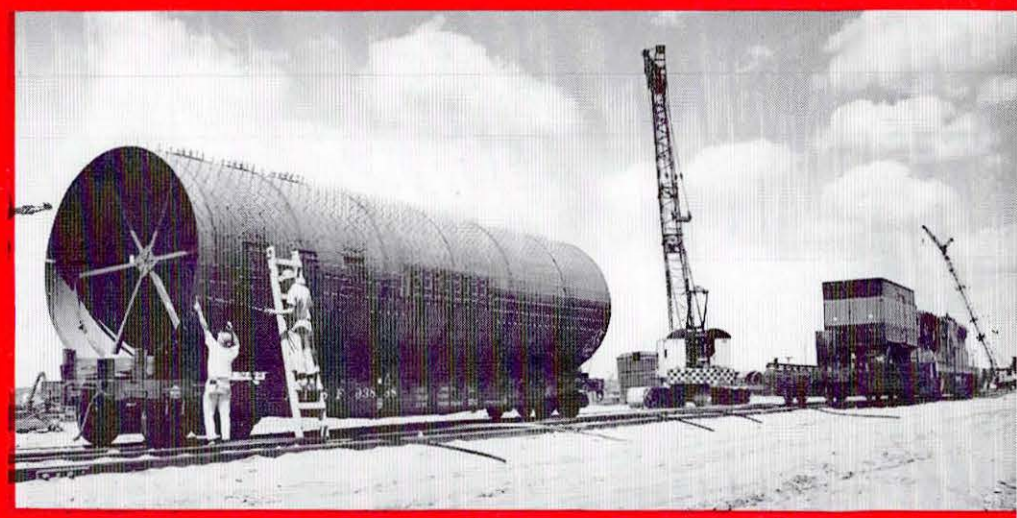
December 24/31, 1962

RAILWAY AGE WEEKLY





RR Groundwork Boosts Missile Program . . . . . p. 11

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Canadian National Railways' Brake-X equipped flat car No. 681,009 has operated more than 300,000 miles of continuous, high speed service without repair expense to truck components except brake block renewals.

A new dimension in mass transportation

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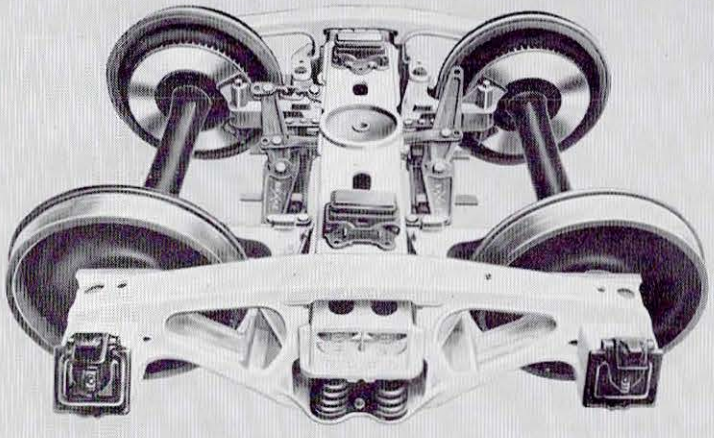

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Capital spending to rise in '63

Present estimates are that railroads will spend close to $1 billion on plant and equipment, despite a not-so-good traffic outlook. .....p. 9

RR groundwork boosts missile program

Here's how railroads are providing on-site deliveries without which the Army and Air Force could not activate war-deterrent Minuteman missile complexes p.11

Traffic men predict better business in '63

Although respondents to this month's Traffic Poll see better times ahead, it is problematical as to how much railroads will share in the increased business p.29

Control case fails to slow down WP

The Western Pacific, faced with the prospect of absorption, still keeps plugging away to improve service and cut costs, says President F. B. Whitman p.31

U.S. court upholds strike insurance

A district court judge has dismissed a BRT suit challenging the legality of the carriers' "service interruption" insurance plan. p.39

The Action Page—Dishes with the oatmeal

Can the railroad industry afford to offer inducements to its customers (e.g., "transit" and "free time"), without levying a compensatory charge? p.42

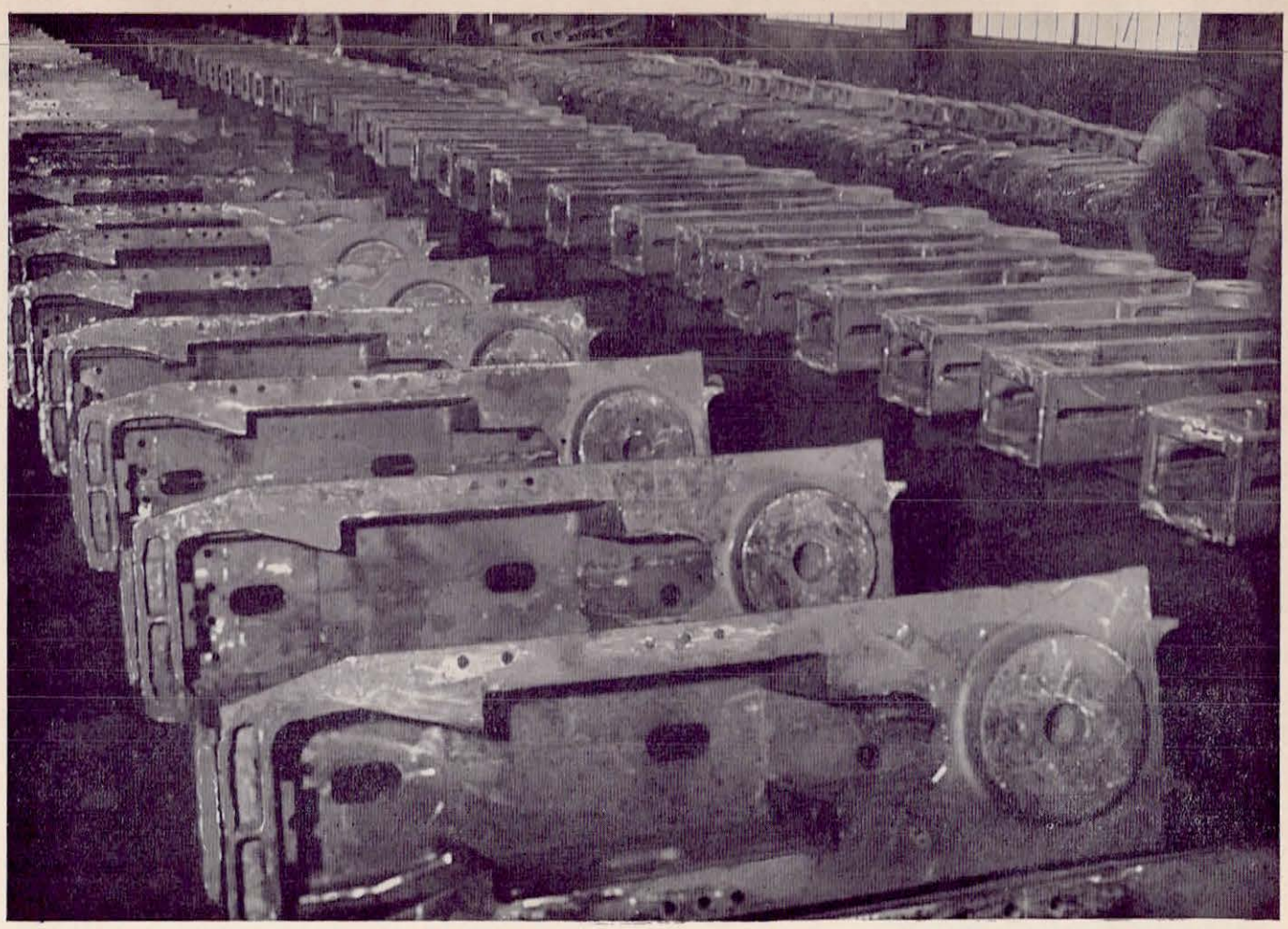
Short and Significant

A federal-court decision . . .

permitting the Chicago North Shore & Milwaukee to go out of business Jan. 21 is being appealed to the Supreme Court by the North Shore Commuters Association.

Five new high-speed freight trains . . .

between Chicago and the Eastern Seaboard are being added by B&O as part of a "complete revamping of scheduling and operating procedures" to meet shipper needs.



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RAILWAY AGE WEEK AT A GLANCE

'63 will be a 'year of crisis' . . .

for the railroads, as the RLEA sees it. Among the issues which must be settled, according to a year-end union statement: mergers, work-rules, job-stabilization.

New agreements with PRR and Reading . . .

have been approved by the Philadelphia Passenger Service Improvement Corp. The pacts call for 1963 payment of $1,728,000 for operation of five commuter lines.

'Landmark' decisions . . .

on transport, labor and merger matters are expected in 1963 by the Transportation Association of America. Basic issues, TAA says, "must be decided."

The Cuban prisoner exchange . . .

got a big assist from the railroad industry, which provided free transportation for 70% of all "ransom" tonnage shipped to Florida for the swap.

Class I railroad employment . . .

averaged 683,058 in mid-November—1.41% below the preceding month and 4.50% below the year-ago figure, according to the ICC.

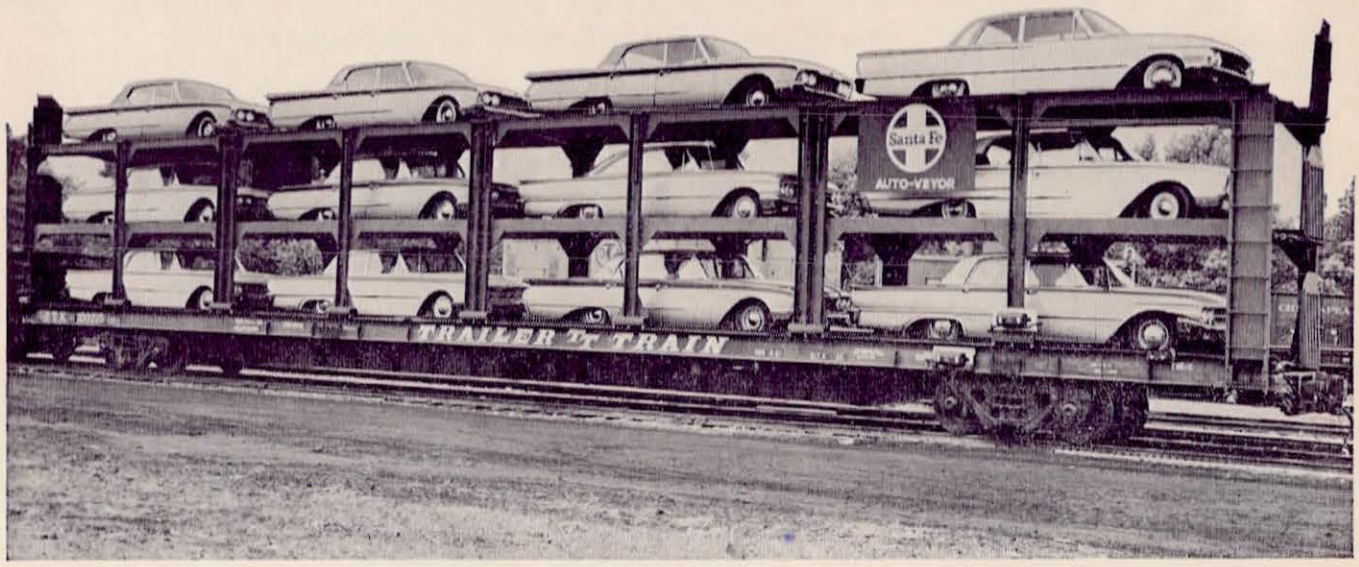
A mass-transport demonstration project . . .

for New Brunswick, N.J.—involving a 300-auto free parking lot and a new PRR suburban station—has been approved by the HHFA.

Current Statistics

Operating revenues		Carloadings revenue freight	
9 mos., 1962	$7,035,376,998	50 wks., 1962	27,848,498
9 mos., 1961	6,771,076,465	50 wks., 1961	27,645,741
Operating expenses		Freight cars on order	
9 mos., 1962	5,545,479,320	Dec. 1, 1962	13,502
9 mos., 1961	5,426,373,777	Dec. 1, 1961	11,983
Taxes		Freight cars delivered	
9 mos., 1962	768,935,690	11 mos., 1962	34,656
9 mos., 1961	735,208,175	11 mos., 1961	29,531
Net railway operating income		Serviceable cars	
9 mos., 1962	430,294,601	Nov. 1, 1962	1,432,235
9 mos., 1961	316,265,358	Nov. 1, 1961	1,466,990
Net income estimated		Cars awaiting repairs	
9 mos., 1962	296,000,000	Nov. 1, 1962	131,055
9 mos., 1961	184,000,000	Nov. 1, 1961	147,043

The Dana Model 2 Rack Provides Maximum Cushioning

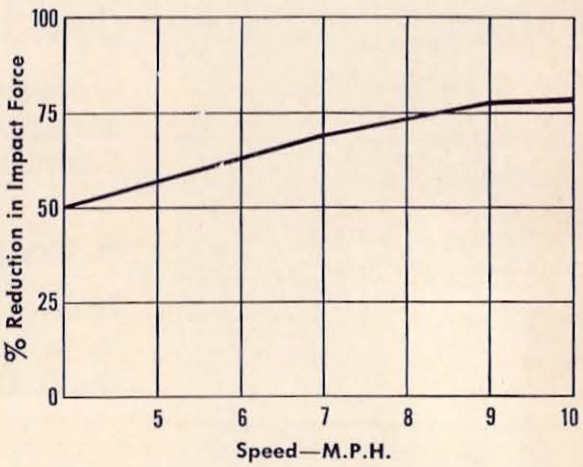


This Santa Fe AUTO-VEYOR is typical of the Dana auto racks now in service on leading railroads. Here shown applied to a Trailer Train flat, the Dana rack meets railroad demands for shock resistance, ruggedness, capacity and convenience of load-unload.

Dana Auto Rack Design Solves Problems of Auto Transport by Rail!

Dana specialized auto racks are adaptable for application to all standard makes of 85, 87 and 89 foot flatcars. They are four section, Tri-Level convertible to Bi-Level. Dana racks accept 6,000# axle loads on all decks and accommodate 12,000# vehicles on any deck in any quarter section. One piece deck construction eliminates drip pan, and deck centers will support tricycle type tractors.

With all sections mounted on rubber shear pads to eliminate friction, the Dana rack creates a new concept of lading cushioning. It achieves maximum cushioning within the limitations of 8 inches of travel, and provides vertical as well as impact cushioning.



Dana also has developed a cushioned platform cargo carrier for container, piggyback and saddleback operations. For complete information write Dana Corporation, Toledo 1, Ohio.

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Work-Rules Case Heads for Supreme Court

One of the factors in railroad decisions to boost 1963 spending—belief that the work-rules case will be settled on terms favorable to the industry—seemed to be on firmer footing as '62 bowed out.

The dispute now seems sure to settle in Washington, before the Supreme Court—if the court chooses to review the case. The operating brotherhoods, their case rejected by two lower federal courts, appear to have nowhere else to turn. They had hoped for a rehearing in the U.S. Court of Appeals—but the court wrecked that hope Dec. 19, when it denied the union's petition for review of the court's Nov. 28 decision.

A spokesman for one of the five organizations said an appeal to the Supreme Court is now "nearly automatic." Neil P. Speirs, president of the Switchmen's Union, said it's "the consensus of the five brotherhoods that we should go to the Supreme Court with a petition based on a question of law and also to clarify the language of the Appeals Court decision."

While the unions pondered their next moves, the carriers were still held under a court order temporarily restraining them from making the desired rule changes. Though it rejected the organizations' request for a rehearing, the Appeals Court agreed to continue the injunction in force until Jan. 2, 1963.

Capital Spending Due to Rise in '63

Expenditures approaching $1 billion are foreseen. Major factors in the increase: new tax incentives, plus the belief that 1963 will bring legislative reforms and relief from featherbedding.

Railroads will spend wisely and well in 1963.

Suppliers, who alternately feed and fast, will find '63 a year of more feasts than famines.

It would be a better year had the Congress provided an incentive—akin to the improved depreciation schedules and 7% investment tax credit—for the money-losing roads which, in some ways, most need incentive for spending. All around, capital improvement plans might be more impressive if the industry had been freed, in '62, from burdensome work rules, or if more progress toward mergers had been permitted.

But, in all areas, there's reason for hope in 1963—and, in the meantime, prospects are for a capital-expenditure total of close to $1 billion (compared to $838.5 million in 1962).

A spotcheck of a dozen railroads—large and small, rich and not so rich—shows authorization for well over 300 new locomotives and more than 10,500 freight cars.

Budget Leaders. In almost all cases, capital improvement budgets are up significantly from 1962 levels. Among the leaders: Santa Fe, which will boost spending from $50 million to $90 million in 1963; Great Northern, whose plans call for an increase of 140%, from $10 million to $24 million; and Northern Pacific, where spending will be up from $16.5 million to $25 million.

Two of the carriers which have ranked among the heaviest spenders in recent years—Norfolk & Western and Missouri Pacific—plan improvement budgets at or slightly under 1962 totals.

A number of smaller roads will jump into the market with considerably greater enthusiasm than they've shown for some time. Soo Line, for example, will spend $7.5 million for locomotives and freight cars in '63. Last year it spent only $700,000. Bangor & Aroostook will buy 50 mechanical refrigerator cars in 1963 and may also add 100 to 150 new box cars.

Washington's Help. Opinion varies as to the relationship between increased spending and the incentives provided by more liberal depreciation guidelines and the 7% investment tax credit. Major benefits for a number of roads, however, may show up in decisions to go ahead with projects that might before have been considered marginal.

Chesapeake & Ohio notes that the two government actions "have caused us to re-examine some projects which previously have had marginal rates of return. Some of these may now become more attractive and lead to increases in spending." As C&O sees it, the new depreciation rates "will go far in permitting many railroads to modernize plant and equipment, providing additional jobs and resulting in better service to the public. They will also give business to the railroad supply industry and provide a spur to the national economy."

Santa Fe also cites the tax changes as factors in its expanded late-1962 and 1963 spending plans. Delaware & Hudson, Western Maryland and Elgin, Joliet & Eastern join the chorus. D&H credits the tax moves for firming up its decision to replace its fleet of diesels on the basis of a 15-year service life. WM says the "improvement in cash flow which will result from the new depreciation guidelines and the 7% investment tax credit has stimulated us to take a fresh look at the question of replacing obsolete materials and equipment and of expanding our annual purchases. We expect that 1963 will see a substantial expansion in our expenditures for more efficient M/W equipment and improved freight car repair facilities and equipment." EJ&E isn't specific—but, the road indicates, it will undertake projects which "would have been rejected as too

WATCHING WASHINGTON WITH WALTER TAFT

● **FOR A LITTLE WHILE,** at least, Commissioner McPherson will be vice-chairman of the ICC (RA, Dec. 10, p. 10). The Commission has elected him to that position, despite expiration of his term on Dec. 31 and reports that he will not be reappointed by President Kennedy. Until a successor takes the oath of office, however, Mr. McPherson may continue to serve. That's provided for in the Interstate Commerce Act which says "a commissioner shall continue to serve until his successor is appointed and shall have qualified." Thus, he should have a minimum of something like a month in the vice-chairmanship —even if the reports that President Kennedy does not plan to reappoint him prove true (and they sound authoritative). He will take over Jan. 1 as successor to Vice-Chairman Walrath, who moves up to the chairmanship as successor to Chairman Murphy.

PRESIDENTIAL APPOINTMENTS to the Commission require confirmation by the Senate, and nomination of a McPherson successor cannot be submitted until after Congress convenes Jan. 9. If the nomination were submitted and confirmed early in the session, those proceedings and the oath-of-office ceremonies would probably take most of January.

IF Commissioner McPherson is not reappointed, Commissioner Goff will succeed him as vice-chairman. Under the Commission's plan of rotating its chairmanship and vice-chairmanship annually, Mr. Goff is next up, being second only to Mr. McPherson as the commissioner with greatest seniority among those who have never held the chairmanship.

COMMISSIONER GOFF'S TERM has four years to run, so he will be available for the 1964 chairmanship. Like Commissioner McPherson, he is a Republican who was appointed by former President Eisenhower. Commissioner Webb, another Republican and Eisenhower appointee, is next in line. Thus, present prospects are that Chairman-elect Walrath will be the last Democratic chairman until 1966.

NOT UNTIL THE END OF NEXT YEAR will President Kennedy have had opportunities to appoint a majority of the 11 commissioners. Thus far, he has chosen three, having reappointed Commissioner Tuggle and appointed Commissioners Bush and Tucker. He now has the McPherson position to fill, but the normal course will delay his fifth and sixth appointments until Dec. 31, 1963, when terms of Chairman-elect Walrath and Commissioner Herring expire.

● **ICC DEPRECIATION RULES** for railroad property won't be changed. That's what the Commission has decided after reconsidering them in the light of the Internal Revenue Service's new write-off guidelines, and the income-tax credit authorized by Congress to stimulate capital investment.

THE RULES require railroads to report each year's actual liabilities for incomes taxes, regardless of whether the government authorizes fast amortization or other like arrangements which may involve tax deferrals. The decision to adhere to that policy came after the Commission's reconsideration of what interested parties said in response to its request for views about the matter.

THE MAJORITY of these respondents urged that no change be made, but others favored modifications to require that the accounts show tax deferrals. The Commission "carefully considered these divergent views" and found no justification for a change. It announced its decision in a brief notice to give carriers prompt advice on how to close their accounts for 1962. A report in the case (No. 34178) will be issued later.

marginal had the new depreciation guidelines not existed."

Other roads—among them Frisco, Monon and Rio Grande—say the tax changes have brought no revisions in their planning for improvements. And Northern Pacific, though its capital expenditures will be up by about 50% in '63, says the increase was not influenced by the government's tax moves. NP notes that "a comfortable cash and working capital position plus the annual cash flow has, during the past several years, been adequate to finance improvements necessary to keep the property in first-class operating condition."

Comeback Year. Whatever the reasons or the influences at work, however, 1963 looks like a comeback year for the suppliers. Based on present indications, total spending will be up by almost 20%—certainly enough to bear out the recent forecast of "a substantial increase in railroad capital expenditures," made by Clair M. Roddewig, president of the Association of Western Railways. Perhaps most significant, spending plans announced thus far don't include those of several traditionally heavy spenders—among them Union Pacific, Southern Pacific, Southern and C&O. Also unreported are the proposed expenditures of the East's two biggest railroads, Pennsylvania and New York Central.

Several carriers are tying spending directly to traffic volume—but indications are that more than a few roads are planning to get a big jump on the gains not directly related to business levels which the industry as a whole hopes to make in 1963. There's an infectious optimism that '63 will bring Congressional action on President Kennedy's transportation program, settlement of the work-rules dispute on a basis favorable to the industry and a clear board from the ICC for several key mergers now awaiting final approval. Traffic estimates, in contrast, are a bit less optimistic—though N&W calls 1962 "a fine year . . . and 1963 should be even better if favorable economic conditions prevail nationally."

The first-quarter carloadings forecast of the 13 regional shippers advisory boards is more bearish than bullish. The boards predict a decrease of 1.4% from totals in first quarter 1962. Only five boards—the New England, Great Lakes, Northwest, Trans-Missouri-Kansas and Pacific Northwest organizations—forecast increases.

The one segment of rail traffic on which everybody's optimistic is piggyback. Loadings in '62 totaled about 700,000 cars, a 20% increase over 1961 figures. Most observers see another 20% increase coming up in '63.

STEEL YARDS—seen here from inside 52-ft launch tube section still loaded on incoming flat car—were busy places.

RR Groundwork Aids Missile Program

Railroads, once more, are proving their indispensability to national defense. With little fanfare, they have established and are operating nationwide "assembly lines" to provide on-schedule, on-site deliveries of materials without which Army and Air Force could not activate complicated war-deterrent Minuteman missile complexes—just now becoming operational. At the same time, railroads are giving convincing proof that long-haul rail and short-haul truck service, coordinated under common or closely cooperating ownership, can be of significant value in handling heavy construction materials to final destinations away from railheads. Railroads may, in the end, be called on to help finish the job by piggybacking some completed missiles from assembly plant to the 800 potential launching points. Here's the story, by Traffic Editor Gardner C. Hudson.

The place is a railroad siding near Lewistown, Mont. The time is autumn 1962. The props are two DF box cars; a Caterpillar front-end loader with lift forks in place of the conventional bucket; and two rugged winch-equipped flat-bed tractor-trailer rigs with the well-known trademark of the Great Northern prominently stenciled on the cab of each. The actors are four suntanned young men who look as rugged as the trucks they drive.

In action, the young men use the loader to jockey huge reels of cable, each marked with a set of cryptic letters and numbers, from cars to trucks. They snub and brace the reels securely; then drive the loaded trucks away, probably to some off-highway destination where no truck would normally be expected to go. There they will use the truck winch to unload the cable beside an already-dug trench.

• **Assembly line.** Their work is the final step in a 1,000-mile-long assembly line that has brought similar cable—something like 2,000 miles of it—from Monticello, Ill., to carefully predesignated points in the Montana countryside. There it will connect the control centers and firing sites that make up the

Air Force's huge Great Falls Minuteman missile complex — where operational turnover to the Strategic Air Command of 20 out of 150 missiles was announced less than three weeks ago.

Similar scenes, varying in detail but not in basic purpose, have been, are being or will be repeated times without number at other stations and country sidings in the north central part of the United States as Army engineers, Air Force technicians and civilian contractors rush to completion an awesome network of military defense installations.

Winning the business

The overall Great Falls project, and another of similar magnitude near Minot, N.D. (see below and page 15), involve an impressive total tonnage of a lot of different materials produced in at least 26 states. Much of this was shipped over long distances, almost wholly by rail; many individual railroads have certainly shared in its movement. Long-distance transport from origins to the general missile areas presented, of course, no special difficulties; because shipments were widely spaced in time, they could be moved in regular trains without any particular operating or scheduling problems.

• **Precise schedules.** But the Army, the Air Force and the contractors didn't want material just at Great Falls and Minot. They wanted it delivered on precise schedules, and mostly at off-rail points of final use, anywhere from a few hundred feet to 25 or more miles from any rail line. What's more, they wanted a "package deal," under which they could work with and rely on a minimum number of transportation companies.

These requirements put it squarely up to the terminating railroads—the Great Northern, the Milwaukee and the Soo for the two missile projects covered in this article—to wrestle with such major problems as:

- Winning the business for the railroad industry, by guaranteeing the railroads' ability to deliver material where it was needed, when it was needed.
- Establishing special terminal facilities and services necessary to implement that guarantee.
- Coordinating long-haul rail carriage with short-haul truck delivery to complete the job of getting materials to their ultimate destinations.

That the railroads have met those problems successfully is attested by Donald Hall, project manager for Fuller-Webb, prime construction contractor in the Great Falls area.

• **No bottlenecks.** "There have been no transportation bottlenecks," says Mr. Hall. "We are completing our job of building control centers and firing sites ahead of schedule, and the few delays we have encountered have been the fault of manufacturers—not of carriers."

With so much traffic at stake, the railroads most directly involved threw into the job of winning it the coordinated resources of their traffic, operating, engineering and development departments.

• **Cooperative effort.** The primary selling responsibility fell naturally on traffic. Traffic, however, had full support from other departments. Engineering designed and installed essential special facilities. Operating set up such special train services as were needed. Industrial development gave convincing proof of its value to a railroad. Mineral research and development people, too, got into the act; it was, for example, H. E. Reed, a GN geologist from Williston, N. D., who found close to Verendrye a specification-meeting aggregate pit that gave his company a full or partial haul on all sand and gravel used in the Minot area.

Similarly, it was the availability of a main-line industrial site, complete with land and buildings, that enabled the Soo to provide tank and pipe fabricating facilities for Leslie Miller, Inc., of Fort Worth, Tex., who held the mechanical contract on the Minot project.

The Milwaukee, by rearranging its facilities, was able to provide leased space in its Falls yard, near Great Falls, for the fabricating plant where all steel for the Montana missile complex was processed. Other nearby Milwaukee industrial property provided locations for the mechanical contractor, E. K. Jenkins Co., and the electrical contractor, Amco Electric. At Lewistown, Fuller-Webb, the prime contrac-

MINUTEMAN—WHY, WHAT AND WHERE

It's safe to say that no one in the United States wants a third World War.

It's partly in the hope of averting such a war—but partly to defend the country if the tragedy should occur—that Army engineers, Air Force technicians and a host of civilian contractors are placing in operational readiness 800 of the Boeing Company's instant-firing solid-fuel Minuteman intercontinental ballistic missiles. The first such missiles—two flights of 10 each—are in place, and ready to go; assumption of their control by the Strategic Air Command was publicly announced on Dec. 11.

There are, as of now, in various stages of completion, five missile "complexes," or "wings," each commanded from an established air base. Four of the wings will consist of three "squadrons" of five "flights" of 10 missiles each, a total of 150 missiles per wing. The fifth wing, based at Cheyenne, Wyo., will have 200 missiles.

Each operational flight will include a constantly-manned control center, self-supporting for a limited period, and "hardened" against anything but a virtually direct hit. Hardened and widely dispersed individual missile firing sites will be unmanned, but protected against possible tampering both by massive steel and concrete construction and by woven and barbed wire fencing with built-in automatic alarm systems. Control centers will be connected to their 10 firing sites, and to all other centers in the same wing, by an elaborate network of subterranean cable, also protected automatically against either natural or human interference.

Construction of each complex divides into two major phases. Phase I includes: (1) excavating, lining with steel and concrete, and covering and fencing, the launching sites or "silos"; (2) placing, covering and fencing the self-sustaining flight control centers, with underground steel and concrete control capsules, and above-ground living quarters for permanent personnel; (3) installation of such necessary mechanical equipment as fuel tanks, independent power plants, air conditioning, piping, etc.; and (4) laying of connecting cable. Phase II includes installation of electronic missile control equipment and placement of operational missiles.

Completed as to Phase I with 20 missiles just made operational and other sites ready for missile installation, is the complex centered around Malmstrom Air Force Base, at Great Falls, Mont. Shaped

tor, leased property from the CMSt-P&P.

• **Sales pitch.** Representative of railroad sales efforts was the brochure prepared by the Soo for a "limited presentation" to military officers and contractors, with the double purpose of outlining "available services and facilities" and furnishing "general information regarding property, rail locations and transportation costs" in the Minot area. This 10-section manual included:

1) A general introduction.

2) Names, addresses and telephone numbers of railroad system and local officers in position to supply additional information.

3) Maps showing location of proposed missile sites with reference to Soo rail lines and highways.

4) A list of warehouse space available from the Soo, with details as to size, location, rent and utility services.

5) A list of Soo track space, with car capacity, available for both unloading and storage.

6) A list, with descriptions and sketch maps, of available industrial sites, including the one used by Leslie Miller.

7) A description of office space available in Soo Line buildings.

8) Typical freight schedules and sample rates on some of the basic commodities to be shipped from various origin points to Soo stations and missile sites, "with definite rates to be furnished by the contact office at Minot."

9) Minimum and per-mile motor carrier rates between Soo railheads and missile sites.

10) Maps of Soo station and siding facilities at key points in the project area.

The other railroads involved in the Montana and North Dakota projects followed essentially the same sales techniques.

Early in 1961 the Milwaukee prepared a brochure containing rail rates on various commodities, such as steel, cement aggregate, cable, contractor's equipment and machinery, from key origins to a number of railheads in the Montana complex, plus mileage truck rates beyond, via Milwaukee Motor Transport to the actual missile sites. This brochure was distributed to all potential bidders, including prime contractors, both prior to and at the pre-bid conferences.

Similarly, the Great Northern worked up a brochure and descriptive material which was made available to contractors, military officers and other government representatives well in advance of contract awards. This covered available transportation services — train schedules, TOFC, coordinated rail-truck operations, rail and highway maps, with locations, mileage and descriptions, and a statement on the rate situation. It also included industrial data—a detailed list and description of available properties, buildings and trackage, with maps and aerial photos of some sites, plus information on sand and gravel sources, cement origins, water supply, power sources and rates, fuel, population, labor laws, labor supply and wages, tax structures and zoning regulations. Also supplied were names, addresses and telephone numbers of key personnel on the railroad, as well as for utility companies, labor unions, state employment services and various material and equipment suppliers. Personal contact followed, and additional details were developed and furnished as needed.

Facilities and operations

Existing facilities and equipment, however, no matter how good, were not adequate in all cases to handle the kinds and amount of traffic moving into and within the missile project areas.

This was especially true in the case of steel, which was originally shipped in plate or shape form and fabricated locally into final assemblies or sub-assemblies. To facilitate this work, the Milwaukee (as stated above), established at its Falls yard, on the outskirts of Great Falls, special facilities for American Bridge Co., a subsidiary of United States Steel Corp., which held the steel contract for the Great Falls complex. Steel for the entire complex moved into this site via rail, and out via Milwaukee Motor Transport.

The Great Northern, at Minot, similarly made available to Bethlehem Steel all necessary facilities on a 20-acre site close to the railroad's big Gavin classification yard. (To obtain workable unfrozen fill to build the steel yard in the middle of a North Dakota winter, the railroad had to lay

roughly like a dumbbell, and covering approximately 18,000 sq mi, it extends from Augusta and Choteau on the west to Grass Range and Harlowton on the east, about 175 air line miles; and from Choteau and Winifred on the north to Harlowton on the south, from 30 to a maximum of about 85 miles. Its whole area is served by the Great Northern and the Milwaukee.

A second complex, with Phase I work more than half done, forms a horseshoe north, west, south and southeast of Minot, N.D., and Minot AFB, in GN and Soo Line territory. About 5,300 sq mi in area, it runs from Flaxton, Stanley and New Town on the west to Drake and Norfolk on the east, a maximum of about 120 miles; and from Flaxton and Mohall on the north to south of Max and Butte, about 80 miles.

A third complex centers around Rapid City, S.D., in territory served by the Milwaukee, the North Western and the Burlington. Others are based on Sedalia, Mo., in Missouri Pacific, Katy and Rock Island territory; and on Cheyenne, an area reached by the Union Pacific and Colorado & Southern (Burlington). Additional complexes are under consideration for Grand Forks, N.D. (GN, Soo and Northern Pacific), and Bend, Ore. (UP, GN and Spokane, Portland & Seattle).

Phase I (construction) of the missile sites and control centers is a big job, but, says the project manager for the prime contractor on the Great Falls project, it is "a relatively easy one from the engineering standpoint."

"Transportation," he adds, "was fundamental—getting the right materials in the right quantities at the places where we needed them, when we needed them."

Railroads, supplemented at destination by owned or cooperating truck lines, have done the lion's share of the vital transportation job. That they have done it well is evidenced by the facts that Phase I of the Great Falls project was finished last September, ahead of schedule; that Phase I of the Minot job has passed its halfway point well ahead of target date.

The accompanying article deals principally with the transportation aspects of those two complexes. At Rapid City, Sedalia and Cheyenne the story may differ in detail but will demonstrate just as effectively the railroads' ability to assemble great quantities of varied materials from far-flung origins and deliver them where they are needed, when they are needed.

straw on the ground to be used; cover it with two carloads of coal; soak it with oil, and let the whole mixture burn for several days in temperatures of —20 to —30 deg. F. It expects, however, a good dividend for its work; several likely prospects are interested in the yard as an industrial site when the missile project is finished.)

Each steel yard included also terminal facilities for the railroad-affiliated trucks which moved the finished steel work to installation points.

The GN replaced rail on its siding at Verendrye, N. D., to handle sand and gravel originating at the aggregate pit there. The contractor provided special loading facilities at that point, and also special unloading facilities for cement and aggregate at Blaisdell, Butte, Max, Mohall and Plaza.

The Soo worked out a portable ramp for unloading cranes and contractor's equipment.

At Great Falls, the Milwaukee set up facilities referred to as the "city hopper," where more than 2,000 gondolas of sand and gravel were loaded from Milwaukee Motor Transport trucks originating at the Vaughn gravel pit, 14 miles west of Great Falls. The cars moved to three batching plants at Denton, Hilger and Straw, where materials were dry-batched and carried to actual missile sites by Milwaukee Motor Transport.

Incoming freight had to be delivered by rail not only to Great Falls and Minot, but also to such relatively small stations as (in Montana) Augusta, Cascade and Dutton (GN); Denton, Fairfield, Harlowton, Hilger and Straw (Milw); Choteau, Judith Gap and Lewistown (GN-Milw joint); and (in North Dakota) Butte, Carpio, Douglas, Kenmare, Max, Parshall, Plaza, Ryder, Velva and Voltaire (Soo), and Blaisdell, Coulee, Mohall, Palermo and Stanley (GN).

Even so, it presented no particular operating problems.

• **Special service.** The Soo did run some special trains between Max and Drake in both directions, and between Drake and Plaza. The GN also added some special service on normally light-traffic branch lines in North Dakota; stopped some through or local freights to pick up cars of sand or gravel at Verendrye; and operated some extra trains between that point and Minot, 28 miles, where cars were routed to other GN destinations or interchanged to the Soo for delivery to stations on that railroad. With those exceptions, cars of missile traffic were simply added to regular trains.

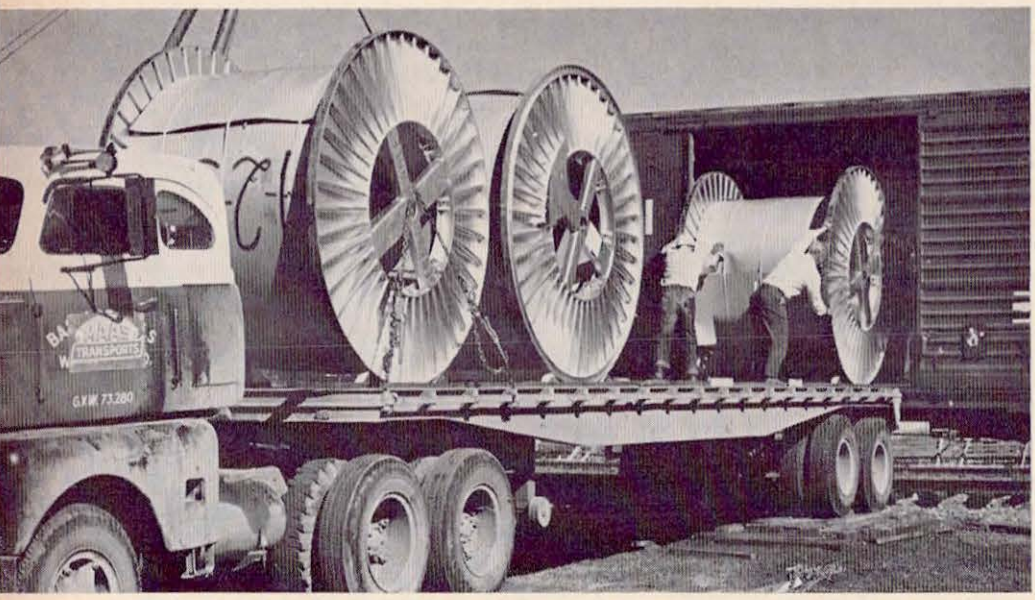
Most missile-related traffic handled by rail moved in standard equipment of various types, with emphasis on DF box cars for cable and other incoming freight; on covered hopper cars for cement, and on hopper-bottom gondola cars for sand and gravel. The GN alone built up a pool of 274 cars of the latter type for use between Verendrye and destinations on its own line and the Soo, at an average loading rate of 40 cars per day.

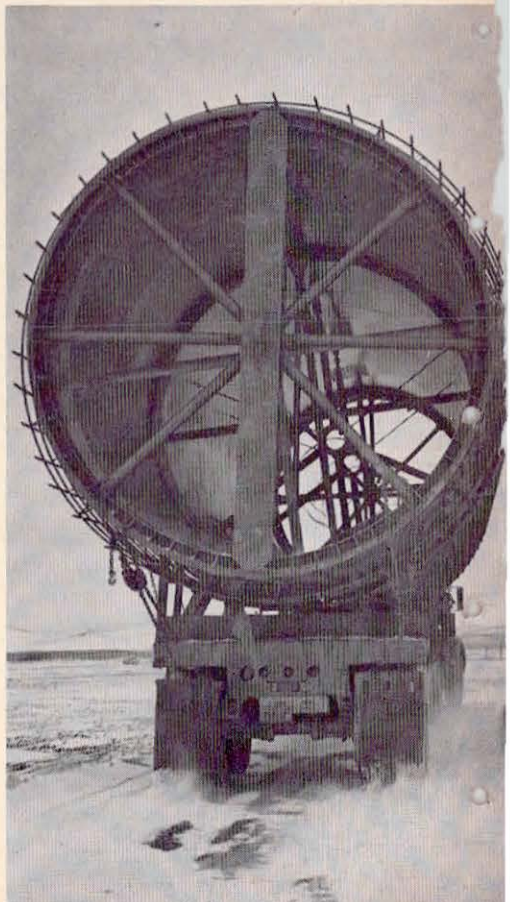
One unusual equipment requirement, however, was the use of 10,000-gallon, glass-lined tank cars to haul demineralized water from Glasgow, Mont., to Great Falls for use in temperature and humidity control systems. Approximately 4,000,000 gallons of water also had to be moved to Montana missile sites for concrete wet-batch purposes. Milwaukee Motor Transport played a prominent part in this movement.

• **Personnel changes minor.** There were no major increases or changes in railroad supervisory personnel, although the GN did transfer an assistant truck supervisor temporarily from Montana to North Dakota to take charge of its trucking operations in the Minot area. The Milwaukee expanded its trucking operations around Great Falls.

The Milwaukee and GN truck fleets, too, got some build-up in equipment. The Milwaukee assembled the necessary types of equipment for the Great Falls project, including "lowboys" required to handle the 150 liner sections ("cans") from Falls yard to individual missile sites.

The GN installed winch and cable devices, for unloading cable reels in the field, on two of its flat-bed trailers which worked around Great Falls, and purchased five trailers and five special "dollies" for its Minot fleet, to handle liner sections from steel yard to missile firing sites. The dollies fit between tractor and trailer, hooking onto the fifth wheel of the former and supporting the fifth wheel of the latter, so as to extend a tractor-trailer rig





CABLE was received in DF box cars spotted at small towns and country sidings close to final delivery sites to keep truck hauls short. At Voltaire (above), Soo and Maas used small winch-equipped truck (hidden) for unloading.

HIGHWAY at right was good, and country easy, compared to some which GN and Milwaukee trucks had to travel to get big launching silo liners to widely dispersed missile sites. Oversize loads required permits, escorts, wire raisers.

from a conventional 40 ft to 62 ft. They provide triple axles on both tractor and trailer, giving the complete rig a total of 26 wheels.

• **Major problem.** It was this trucking operation that gave the railroads their third—and biggest—problem. Its solution is, in some ways, the most interesting and significant feature of the whole transport story.

There was, clearly, only one way of making reliable deliveries to control centers, launching sites and cable line locations which were not merely away from railroads, but frequently well away from any recognizable highways into the bargain. The obvious answer had to be trucks—but trucks which would operate in close conjunction with railroads.

• **Easy solution.** The Great Northern met the problem with relative ease, by using its own trucks at both Great Falls and Minot. It arranged to spot incoming cars at points which would keep the truck haul (with some exceptions) down to 50 miles or less, even where this meant using small-town or country sidings with limited track space and no yard or station forces—places, for example, like Belt, Mont. It offered rail rates blanketed to the entire area, and supplemented these with tentative common carrier truck tariffs based roughly on mileage for material received over GN rails (and only that material). This made it possible to give the contractors an approximate total transportation cost, and at the same time made the point of rail-truck transfer a matter only of railroad convenience and not of contractor concern.

The Milwaukee, similarly, allocated to its subsidiary Milwaukee Motor Transportation Co. the major role in the movement of various materials from its railheads and local fabricating facilities to job sites.

• **Soo Line's answer.** In the Minot area, the Soo, with no trucks of its own, met the situation by coordinating its rail operations with the highway services of Maas Transport, Inc., an established North Dakota firm with the necessary equipment and valid operating authority. The Soo, like the GN, spotted cars at such limited-facility points as Voltaire.

In both cases, truck drivers and helpers unloaded cars and loaded and unloaded trucks where other facilities and personnel were not available. Truck hauls in the Minot area were generally shorter than around Great Falls, because of the smaller geographical area to be covered, and the existence of relatively more rail lines. (At both places, some hauling was done by other common carrier truckers, or in contractors' own trucks.)

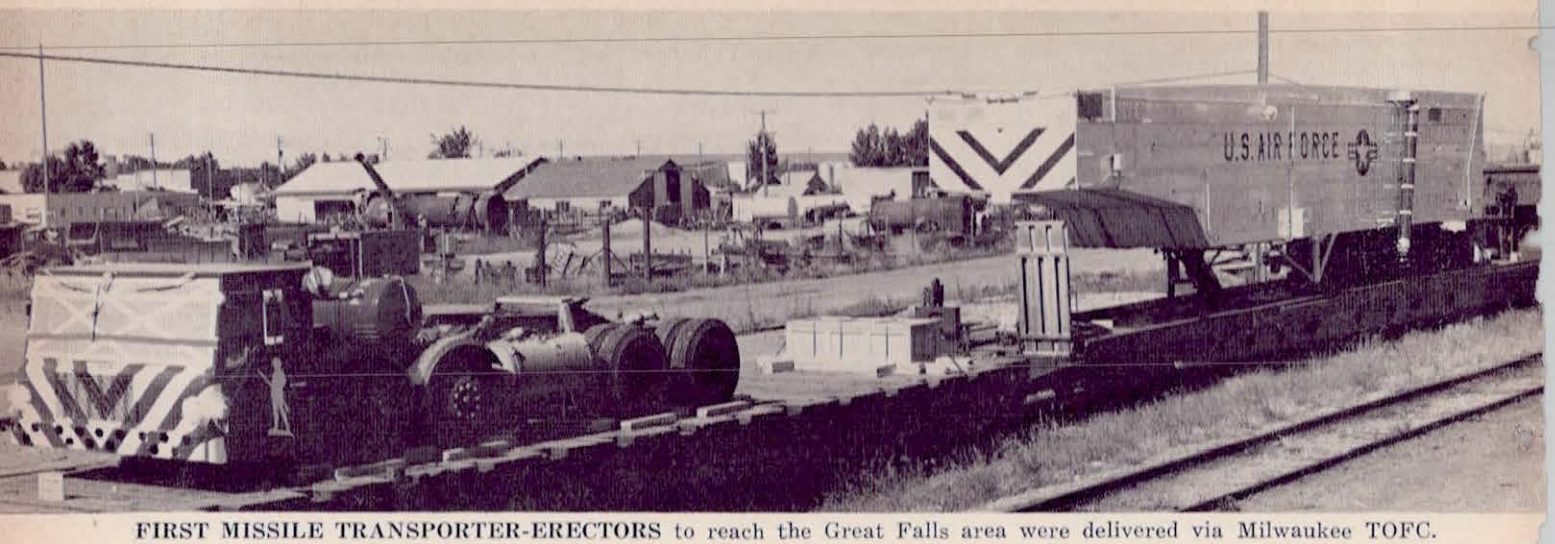
Principal materials moved in coor-

Rail Shipments to Minuteman Missile Projects in Montana and North Dakota

The following tabulation shows tonnages of principal materials moved by rail for construction of Minuteman missile bases near Great Falls, Mont., and Minot, N.D. Figures include shipments to date plus estimates of future shipments needed to complete the projects, but are approximate only—not exact.

Material	Tonnage	States of Origin
Steel (structural, reinforcing, shapes, etc.)	100,000	California, Colorado, Illinois, Iowa, Kansas, Maine, Minnesota, Missouri, Ohio, Oregon, Pennsylvania, Tennessee, Texas, Utah, Washington, West Virginia, Wisconsin
Fencing	6,800	Colorado
Cable and electrical equipment	30,000	California, Idaho, Indiana, Illinois, Minnesota, Montana, New York, Pennsylvania, Texas, Washington
Contractor's equipment (cranes, shovels, tractors, trailers, conveyors, generators, forms, etc.)	22,000	California, Colorado, Illinois, Michigan, Minnesota, Montana, New Jersey, New York, Pennsylvania, Texas, Washington, Wisconsin
Lumber, paint, insulation, roofing, etc.	4,700	California, Illinois, Iowa, Minnesota, Missouri, Montana, New York, Ohio, Washington
Tanks, pipe and mechanical equipment	7,000	Kansas, Louisiana, Minnesota, Texas
Cement	53,000	Minnesota, Montana, Nebraska, North Dakota, Ohio, Pennsylvania, Wisconsin
Sand and gravel	370,000	Minnesota, Montana, North Dakota
Miscellaneous (assembled missiles, electronic control equipment, air-conditioning equipment, batteries, etc.)	Unspecified	Missouri, Utah, Washington and others
TOTAL	593,500	26 states

In addition to the inbound tonnages tabulated above, most of the contractor's equipment, and the metal reels on which cable was received, will be shipped out by rail when the projects are completed. This outward, or return, movement will probably aggregate several hundred carloads.



FIRST MISSILE TRANSPORTER-ERECTORS to reach the Great Falls area were delivered via Milwaukee TOFC.

dinated rail-truck service were steel, cable and mechanical fittings such as tanks and piping. Steel and cable presented some interesting transfer and delivery problems; steel and fittings required establishment of the special facilities previously described.

• **Trucked to launch sites.** Products of the two centralized steel fabricating yards were trucked to launch sites or control centers regardless of distance, location or highway condition. That included such unlikely truck loads as 26-ton silo cover doors 19 by 22 ft in size, and launching tube main sections 52 ft long, more than 12 ft in diameter, and weighing 67,200 lb. (Loaded weight of such a "can," including tractor, extended trailer and special carrying cradle, came to 105,000 lb.) Milwaukee and GN trucking affiliates each handled 150 "cans," over country roads and up and down steep grades, without, says the Milwaukee, "a single upset or loss."

GN trucks operating out of the Minot steel yard handled steel to construction sites for distances of up to 100 miles. To do this, the railroad used a maximum owned and leased fleet of 20 heavy-duty diesel tractors, 27 trailers, and five dollies, plus a radio-equipped pick-up truck for the fleet supervisor. It employed 19 drivers. At Great Falls it used six tractors, but no set number of trailers.

• **Police escort.** About two-thirds of all material trucked out of the steel yards was overlength, overwidth, overheight or overweight, and thus had to move under special permits and often with a state police escort. Much of it, moreover, had to go to remote locations over roads which barely justify the term. (There was some effort by state and federal governments to upgrade some such roads—but much of the upgrading came after the heavy transport job had been done.)

An added problem was the necessity of temporarily raising power and telephone lines crossing highways where overheight loads, particularly the launching tubes, were to travel. This facet of the work alone involved, in North Dakota, advance coordination with no less than 10 local power utilities and phone companies. Around Great Falls, each Milwaukee Motor Transport truck handling one of the 150 liner sections was accompanied by two pilot cars and a wire raiser.

Cable handling

Cable delivery presented no comparable problems of overload or clearance. Cable was transferred from cars to trucks at the closest practicable point to location of ultimate use. Such points were generally small town or country sidings unequipped with cranes or other transfer facilities.

On the Soo at, for example, Voltaire, the car-truck transfer was accomplished by use of two trucks. One was the big flat-bed unit used actually to carry the cable into the field, which was backed up against the freight car door at right angles to the car body. The other was a smaller winch-equipped vehicle positioned parallel to the big flat-bed. A cable attached to the smaller truck's winch dragged cable reels to the car doorway and turned them at right angles. They were then manually rolled onto the flat-bed, which was fitted with temporary channel irons to serve as rails for the cable reel edges.

The GN made what amounted to a big fork-lift truck from a Caterpillar front-end loader, by substituting lift forks for the usual bucket. This was used to move cable reels from car to truck, from car to ground for temporary storage, or from ground to truck.

• **Big loads.** Some cable storage was required in both areas, because the average incoming carload exceeded average truck capacity. For the Great Falls project, cable was received from the General Cable Corp. plant at Monticello, Ill., in DF cars which carried from six to 14 reels, depending on size. A somewhat different and larger type of cable was used at Minot—it came from General Cable at Bonham, Tex., in DF carloads of five reels each; was redistributed in loads of four reels per truck.

Each reel was factory-designated for a particular section of the whole complex communications network, and had to be trucked close to that precise spot.

This meant not merely using secondary (or lesser) roads, but reaching places where there were just no roads at all. Railroad drivers had to double as engineers, to cut (and repair) gaps in fences. They had to be navigators to find and follow the thin lines of cable trench. And they had to be explorers as well, to make their way across country, up hill and down, through field and swamp, to the preselected unloading point. The latter problem was especially acute in the hilly terrain around Great Falls, where GN trucks had at times to display—appropriately—the hill-climbing ability of the mountain goat whose picture they carried. It was a job that required "rugged trucks and good drivers," to quote S. J. Warner, supervisor of GN trucking operations in Montana.

• **Fast job.** The Milwaukee, too, faced similar problems. As a spokesman for it says, "It is a credit to the ingenuity and resourcefulness of the railroads and their subsidiaries that all handicaps were overcome and the missile complex completed in record time."

The same statement will assuredly be equally true next year of the work

done at Minot by the Soo, by its associate, Maas, and by the GN.

The Great Falls cable network, incidentally, crosses under Milwaukee rails at 36 separate points. In the Minot area, cable goes under Soo trackage at 42 points, and under GN lines at 30.

Moving the missiles

Phase II of the Minuteman project —moving and installing the actual missiles—will involve, in terms of carloads or tonnage, less total transportation than the construction work done under Phase I.

There will, however, be carloads or piggyback trailer loads of batteries for stand-by power; of electronic missile control equipment, and of air-conditioning equipment to maintain the fixed standards of temperature and humidity which are essential if the completed missiles are to function properly.

Most interesting of all, however, will be movement of the Minutemen themselves, by rail piggyback, by highway or by air—or by a combination of those methods.

The missiles are assembled by the Boeing Co. at its Plant 77, which is located at Hill Air Force Base near Ogden, Utah. From there they go to the support bases commanding each missile complex—Malmstrom AFB for the Great Falls project, Minot AFB for the Minot project, and so on. At the support base, each missile is serviced by Boeing personnel and then transported by highway to its designated installation site.

Major element of the transportation system, outlined by George Drakely, Boeing engineer in charge of mechanical support equipment, is a large tractor-trailer combination called a transporter-erector, which will haul the missiles to launch sites and lower them into the silos. Inside the transporter-erector, where temperature and humidity will be controlled, the missile will be cradled on a unique suspension system.

• **Slow and easy.** Larger than most tractor-trailer combinations, the "T-E" is more than 63 ft long and weighs approximately 108,000 lb when loaded, but has been designed to travel on a railroad flat car and over most main highways and bridges. When carrying missiles between support bases and launching sites it will move under escort at an average speed of 15 mph; time to some of the more remote sites may require 11 hr or more, depending on weather conditions.

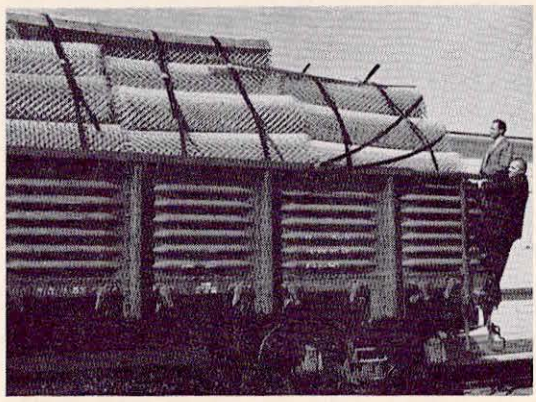
Three companies assisted Boeing, which has primary responsibility for the transportation system, in development of the transporter-erector. General Motors Corp. developed the tractor and carriages for the missile container. Cessna Aircraft Co. provides the container itself. Bendix-Pacific Division of Bendix Corp. supplies the hydraulic system for raising the container to an upright position and lowering the missile into the silo.

Special containers will be used to transport the missiles by air and rail. Primary use of these containers will be for shipment of the missiles from the Ogden assembly plant to central launch site support bases, i.e., Malmstrom AFB, Minot AFB, etc. There the missiles will be finally serviced by Boeing personnel and transferred to transporter-erectors.

The complete transportation system consists of engine harnesses, engine transporters, in-plant transporters and handling dollies, missile containers and transporter-erectors.

All this equipment utilizes a rail transfer method in which the engine harness undercarriages ride on rails at a constant height above the ground. This permits easy transfer of the individual engines or of the complete missile from one piece of equipment to another.

Engine harnesses have been designed to adjust automatically to the various engine diameters and to accommodate missiles which might not be straight during the recycle phase. (The recycle phase is the removal of missiles from



GRAVEL PIT at Verendrye produced 40 carloads a day for movement via GN and Soo to batching plants in Minot area. GN replaced siding rail, built up car pool, provided special train service.

SOO LINE's J. A. Welton (above) and R. T. Nelson examine first car of woven wire fencing for Minot project, received from Colorado and spotted for unloading on Soo tracks at Max, N. D.

silos and the return to the assembly and recycle facility via the transporter-erector for inspection and servicing.) The harness also provides an elastic support for the missile while traveling.

• **Adaptable for rail or air.** Engine transporters, looking much like many trucks will be adaptable to shipment by rail (piggyback) or by air. Some such piggyback shipments have, in fact, already been made, from Ogden via Union Pacific to Silver Bow, Mont., thence via Milwaukee to Malmstrom AFB, on the Milwaukee just east of Great Falls. The trailer or van used during this stage will have, like the transporter-erector, a controlled environment and suspension system matching that of the engine harness. On highways, they will be capable of traveling at normal truck speeds.

• **Economic impact.** The missile projects have had what the Milwaukee terms a "terrific" impact on the general economy of the areas where they are located. Manpower on the Great Falls project mounted to more than 4,000 as of last June. As the labor force assigned to Phase I (construction) decreases with completion of that work, Boeing will build up its Phase II personnel to about 1,700 men by the end of this year. "This has meant an increase in foodstuffs and necessities of living."

The same situation holds true in the Minot area. "Construction in the area has produced considerable inbound traffic," says the Soo's R. T. Nelson. "With the influx of the large number of personnel which is required for a project of this type, there is bound," GN General Agent W. F. Hoffman concurs, "to be an increase in the amounts of merchandise, foodstuffs, etc., moving into the area, in addition to the vast amount of construction material." The same thing is true, he adds, as to increases in passenger traffic.

Such increases cannot be precisely pinpointed in commodities, carloads or revenues, but there seems to be no question in the minds of any of the railroad people involved that they have occurred.

• **Value of teamwork.** Of greater importance, however, in Mr. Hoffman's opinion, is the fact that the missile projects "have shown that a coordinated rail-truck service can be of significant value in handling materials for a project of this type, and also for other heavy construction where the final destination is located away from a railhead."

Railroad officers most intimately involved with the Great Falls and Minot Minuteman projects, either from the standpoint of winning traffic for rail movement, or of handling it, include:

END OF THE JOB—Hydraulically-elevated "T-E" puts Minuteman into completed silo.

On the Great Northern—G. D. Johnson, general freight traffic manager, K. G. Heimbach, director truck and TOFC sales, and R. C. Wentz, assistant director, industrial development, all of St. Paul; M. H. Greenleaf, general freight agent, St. Paul (who has made so many trips between that city and Great Falls that he claims the world's long-distance commuting championship); J. J. Heimes, assistant general freight and passenger agent, C. R. Spafford, general agent, and J. J. Finnessy, city freight agent, all at Great Falls; W. F. Hoffman, general agent, and R. R. Hunter, traveling freight agent, Minot; H. H. Holmquist and R. H. Hemmesch, superintendents at Great Falls and Minot, respectively; S. J. Warner, truck supervisor at Great Falls, and W. C. McKnight, assistant truck supervisor assigned temporarily to Minot.

On the Milwaukee—W. D. Sunter, general freight traffic manager, and P. L. Cowling, assistant to president, both at Chicago; L. F. Walsh, division freight agent, Great Falls; M. T. Sevedge, superintendent, and R. D. Claborn, division engineer, both at Deer Lodge, Mont.; Lee Halverstad, terminal manager, and J. D. Pessein, office manager, both for Milwaukee Motor Transportation Co. at Great Falls.

On the Soo Line—J. B. Benson, traffic manager—sales, Minneapolis; R. T. Nelson, assistant traffic manager—sales, Minot; W. A. Taft and J. A. Welton, superintendents at Enderlin, N. D., before and after Sept. 1, respectively; and F. A. Godin, trainmaster, and W. B. Peterson, division engineer, both at Enderlin.

The Boeing Co. is weapon system integrator for the Minuteman ICBM, with responsibility for assembly, test and launch control and ground support systems. Other major contractors are Thiokol, Aerojet-General, and Hercules (engines), North American Aviation (guidance system), and AVCO (nose cone). Program management is under the direction of the Air Force's Ballistic Systems Division with systems engineering and technical direction by Space Technology Laboratories, Inc.

Prime, and major sub-contractors, on Phase I construction of the Great Falls and Minot complexes include:

At Great Falls—Fuller-Webb, a joint venture of George A. Fuller Co. and Del E. Webb Corp.—prime contractor; American Bridge Co., Ambridge, Pa.—steel; General Cable Corp., Monticello, Ill.—cable supply; Ets-Hokin & Galvin, San Diego and San Francisco—cable installation; Hood Construction Co., Boise, Idaho—cable trenching; Alcorn Fence Co.—fencing; Amco Electric Co.; American Air Filter Co.; E. K. Jenkins Co.; Hopkins Construction Co., Denver; Noranche & Konda, Butte, Mont.; Pappin & Son, Great Falls—sand and gravel; Reber Plumbing Co., Great Falls—air conditioning installation; Royal Co., Kennewick, Wash.—roofing and waterproofing; Montana Trailer Sales; Prepakt Concrete Co.; and Western Concrete, Inc.

At Minot—Peter Kiewit & Sons Co.—prime construction contractor; Bighorn Construction Co., Minot, and Boyles Brothers Drilling Co., Salt Lake City—excavation; Bethlehem Steel Co., Bethlehem, Pa., and Gilmore-Skoubye Steel Co.—steel; General Cable Corp., Bonham, Tex.—cable supply; Ets-Hokin & Galvin—cable installation; Hood, Inc., Whittier, Calif.—cable trenching; Orval D. Hayes Construction Co.—missile support buildings at Minot AFB; Leslie Miller, Inc., Fort Worth, Tex.—tanks, piping and mechanical equipment; Century Fence Co., Waukesha, Wis.—fencing; Commonwealth Electric Co., Lincoln, Neb.—electrical equipment; Hallett Construction Co., Crosby, Minn.—sand, gravel and aggregate; Beagle-Chilcutt Paint Co., Kansas City, Mo.—paint and painting; Lydick Roofing Co., Wall, S. D.—roofing; Otis Elevator Co., New York; Sheet Metal Products Co., Cheyenne; Omaha Fixture & Supply Co., Omaha; and Mid-States Ornamental Iron Co., Kansas City.

SEABOARD'S NEWEST FREIGHT CAR PURCHASE TOTALS $8,240,000

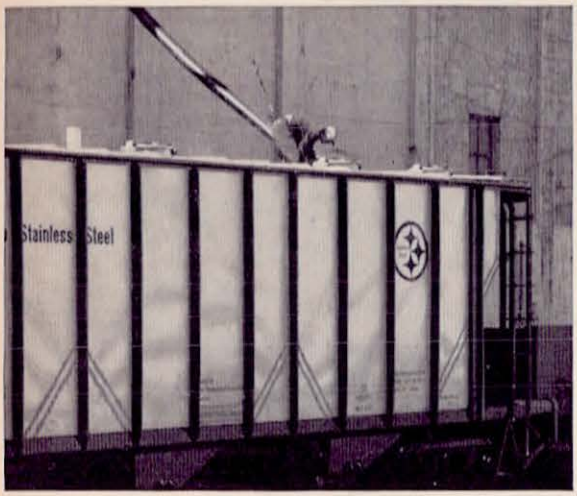
Richmond, Va.—Seaboard Air Line Railroad has announced the purchase of 625 new freight cars, representing an investment of $8,240,000.

Included in this order are 300 box cars similar to a lot of 500 received earlier in 1962. They are 50 feet in length with 70-ton capacity, and are equipped with cushion underframes and load-securing devices for maximum protection of cargo. This type of modern, large-capacity box car has been enthusiastically received by shippers who find it the answer to many of their transportation problems. Seaboard is ordering the additional cars to meet a growing demand for this advanced equipment.

Also featured in this purchase are 25 aluminum covered hopper cars of 100-ton capacity, especially designed for the movement of grain and other bulk commodities. The remainder of the order comprises 300 steel woodrack cars of 70-ton capacity for transportation of pulpwood.

This added investment in the future of the Growing Southeast is typical of Seaboard's continuing effort to serve its shippers with the finest and most modern equipment obtainable.

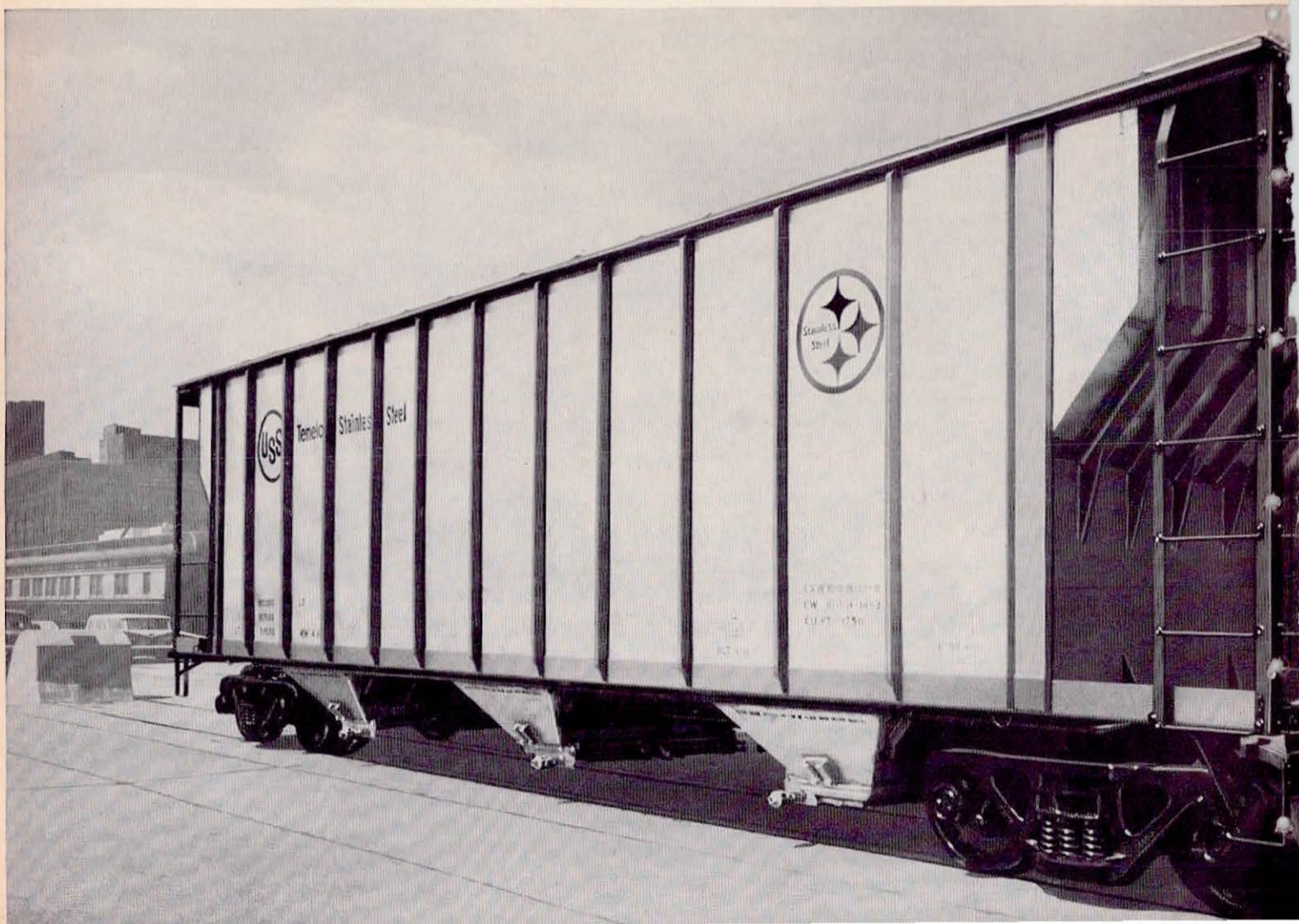
ANYTHING GOES



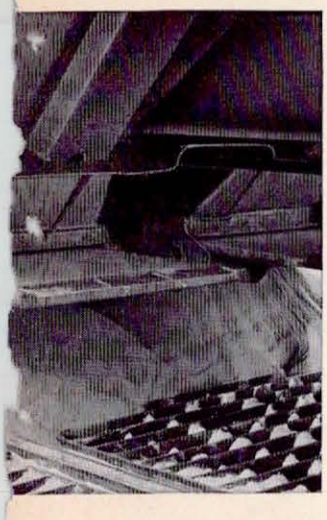
LADING AND LOAD IN TONS

Cement	100	Potash	98
Soda ash	104	Mill feed	39
Silica sand	101	Phosphate rock	95
Bulk malt	59	Super phosphate	91
Blended malt	64	Kaolin clay	84
Sodium tripolyphosphate	65	Roasted dolomite	96
Granulated sugar	87	Grit (corn meal)	45
Alfalfa pellets	84	Brewers rice	89
Calcined petroleum coke	81	Soybean meal	67
Rice	80	Sodium chlorate	62

You can have "kitchen-clean" shipments with a TENELON steel covered hopper car. All sections of the body that come in contact with the lading, including hatches, are TENELON Stainless Steel. There are no linings. A "kitchen-clean" interior is maintained by a washing between shipments. The smooth all-welded seams of the hoppers prevent dirt from accumulating. The smooth surface of the Stainless Steel permits the load to slide freely and quickly.



...in a USS Tenelon Stainless Steel hopper



Anything that can be swept out or hosed away can be carried in the new USS TENELON Stainless Steel covered hopper car without contaminating it for subsequent loads. In freight runs to destination points across the United States, consignees witnessed the unloading of ladings that ranged from cement to sugar to malt to roasted dolomite. The receivers came away with two key observations about the TENELON Stainless hopper: It keeps the lading *clean* and it unloads the lading *fast.*

When it comes to cleanliness, compromise and half-way measures cannot be tolerated. *TENELON Stainless Steel meets the demand for cleanliness.* When it is a matter of unloading lading without problems, it's a matter of saving money. A lading that refuses to flow freely can be a sizable problem that can not only test tempers, but cost money. It is expensive to do with manual labor or mechanical devices a job that should be accomplished smoothly with the force of gravity. *TENELON Stainless Steel meets the demand for slideability.*

Here are some comments from shippers of various products:

Silica sand—"The best self-cleaning qualities in a car we've seen yet. We have a contamination problem and we check cars very closely for cleanliness. This car looks good inside and outside, too!"

Malt—"The malt slides out much better from the car. We did not have to pound the sides as we have to do with other cars."

Sugar—"A car carrying sugar must look clean—*be* clean. This car meets those requirements."

Chemicals—"We're happy to see a car made of Stainless Steel. Our chemicals must meet tight specifications for cleanliness. This car is easy to clean."

Sodium tripolyphosphate—"The dryness of this car is remarkable."

Soda ash—"The load flowed more freely than from other cars. Unloading time was greatly reduced."

During the entire test period, loads of all kinds flowed out quickly due to the slideability of Stainless Steel. There was no pounding or shaking of the car necessary to start action. The self-cleaning qualities of the USS TENELON Stainless Steel car were evident. After simply sweeping with a broom or hosing with plain water, the car was ready for its next load.

Less weight—more payload—low operating costs. The 100-ton capacity USS TENELON Stainless Steel car weighs only 58,500 pounds. Extra strength was built in by using high-strength low-alloy steels such as USS COR-TEN brand in the framework and USS TRI-TEN brand in the center sills. These two steels have minimum yield points of 50,000 psi and USS TENELON Stainless Steel has a minimum yield strength of 70,000 psi. All three steels have superior resistance to atmospheric corrosion so that maintenance is greatly reduced and long service life is assured.

For detailed information about the performance of the first USS TENELON Stainless Steel covered hopper car, send the coupon below. USS, TENELON, TRI-TEN and COR-TEN are registered trademarks.

United States Steel Corporation • Columbia-Geneva Steel Division • Tennessee Coal and Iron Division • American Steel and Wire Division • National Tube Division • United States Steel Export Company

---

United States Steel, Room 6644
525 William Penn Place, Pittsburgh 30, Pa.

Gentlemen:

Please send me your new book, "USS TENELON Stainless Steel Covered Hopper Car," showing car construction and applications. We ship these commodities: (Please list)_____

_____

Name_____

Title_____

Company_____

Address_____

City_____ Zone____ State_____

USS **United States Steel**

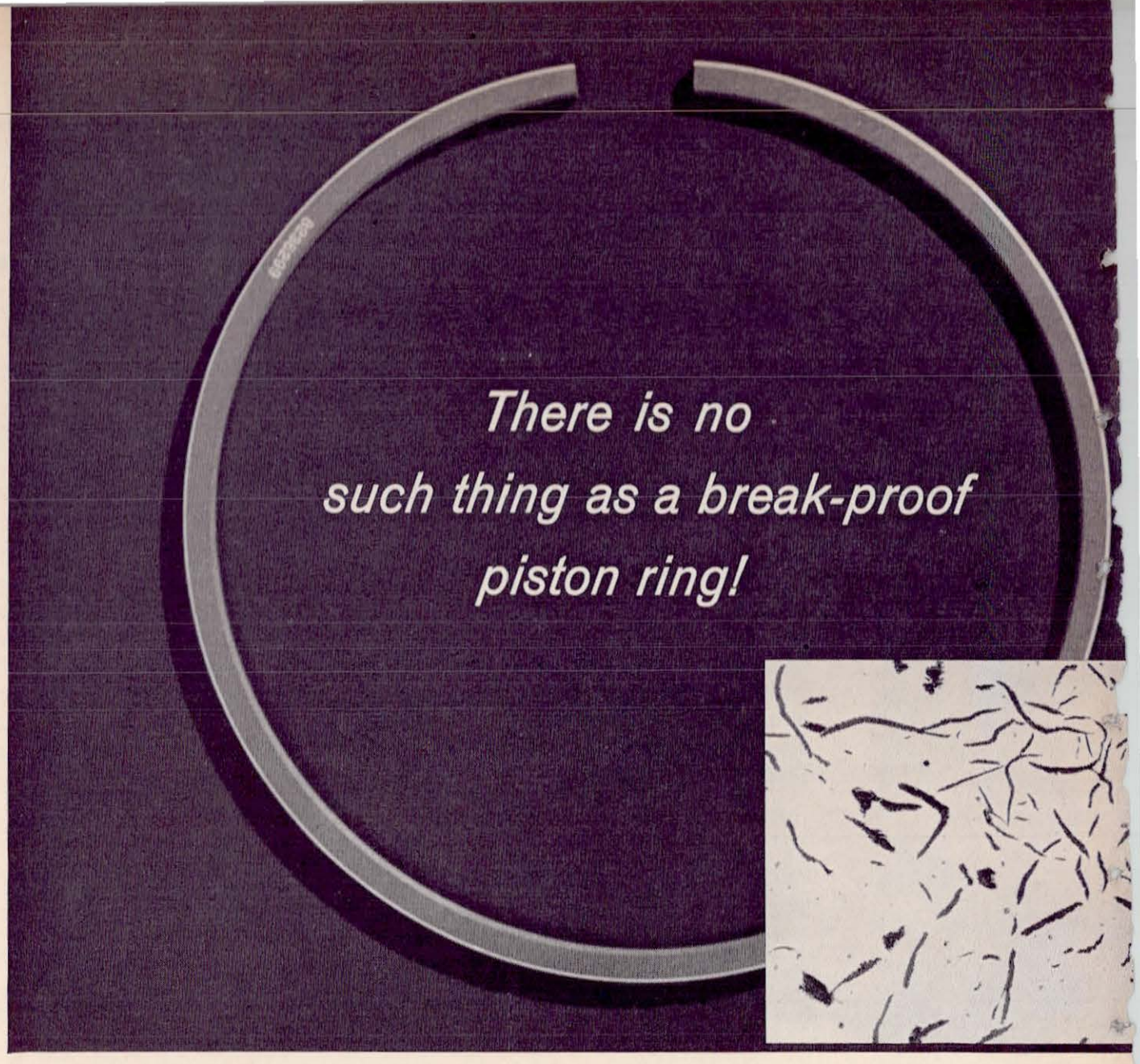


Illustration No. 1– GRAY CAST IRON
Typical graphite distribution
Original magnification 100X

Electro-Motive ductile iron piston ring stands

How do you make a piston ring that's strong, like steel, yet wears like iron—the kind you need in the top groove position?

We changed the molecular structure of the base metal. This makes Electro-Motive's Ductile Iron Piston Ring strong enough to stand up to repeated shock impact without breaking yet does not rob it of wearing quality.

Laboratory tests show that the Ductile Iron Ring has considerably greater resistance to breakage than regular cast iron, and in use the Ductile Iron Ring is showing wearability which approximates that of regular cast iron.

You can actually "see" the greater strength of Ductile Iron through micro-photography. In regular cast iron (Illustration No. 1) graphite distribution is in feathery bursts—an open invitation to breakage. In Ductile Iron (Illustration No. 2)

Illustration No. 2 – DUCTILE IRON
Typical graphite distribution
Original magnification 100X

up to shock impact, yet still gives good wear

the graphite distribution is in nodular form, offering much greater resistance to breakage.

Should all piston rings be made of Ductile Iron? Not necessarily. The Ductile Iron Ring is designed for use in the top groove position on the piston, where the brunt of shock impact is felt. Electro-Motive's standard cast or chrome plated rings in the lower grooves will give good operational efficiency and economy.

Electro-Motive's Ductile Iron Piston Rings are for use in all General Motors Locomotives. They are available individually or in sets (chrome plated for use in cast iron liners or ferrox filled for use with chrome liners). The top groove ring in all sets is Ductile Iron.

Ask your Electro-Motive Representative to give you complete details, or write to Electro-Motive Division, LaGrange, Illinois.

GENERAL MOTORS LOCOMOTIVES

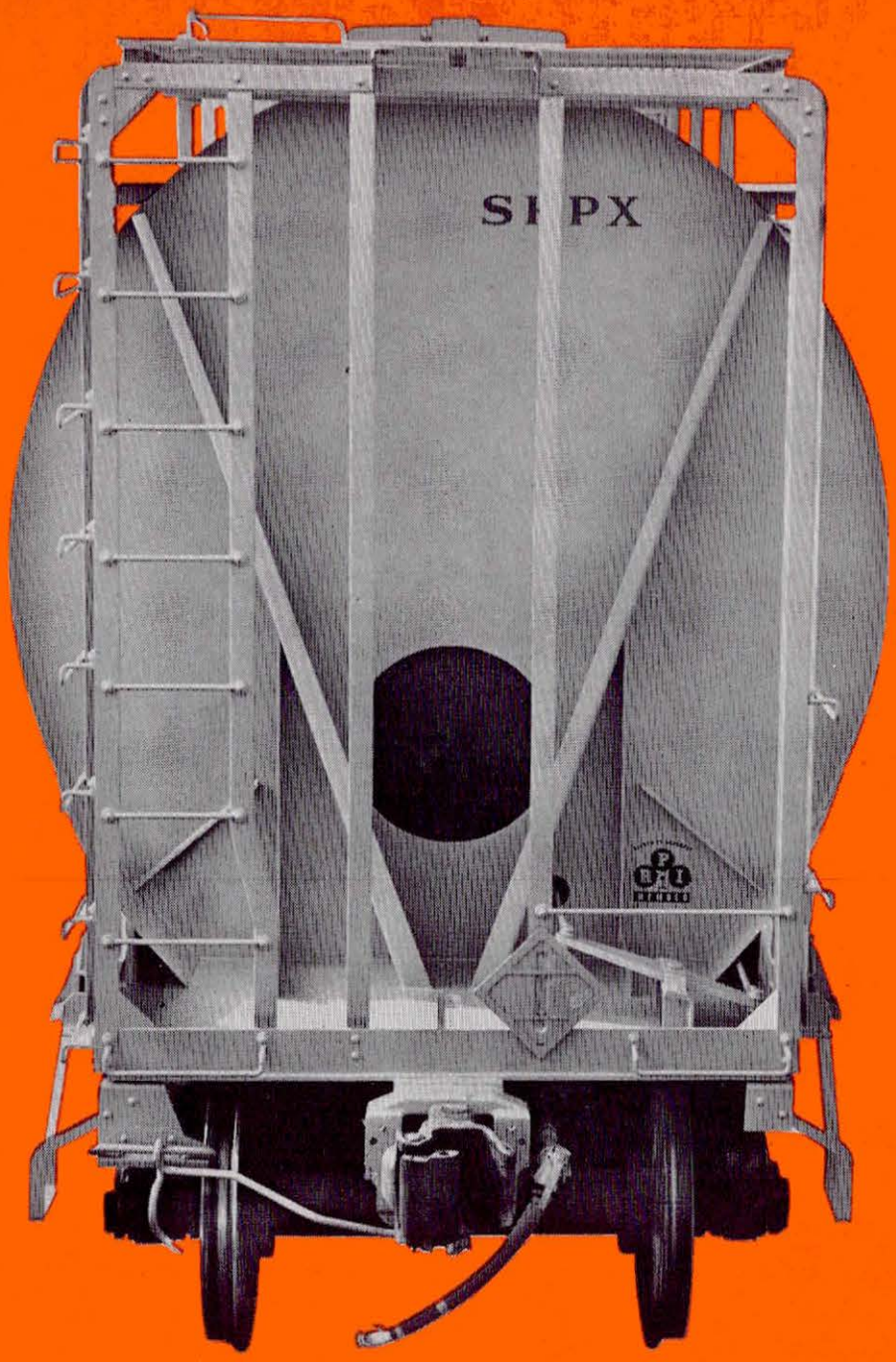
PRI

ELECTRO-MOTIVE DIVISION · GENERAL MOTORS

LA GRANGE, ILLINOIS • *HOME OF THE DIESEL LOCOMOTIVE*

In Canada: General Motors Diesel, Limited, London, Ontario

Why is it pear-shaped?



Why is the new ACF *CENTER FLOW* Car pear-shaped?

Good reason. With its unique, pear-shaped compartments, you can fill it to 97% of its capacity. This is the greatest use of cubic capacity by any dry bulk handling car.

Result: Railroads save money. Shippers save money. Because it takes fewer Center Flow Cars to do the job than boxy, old-fashioned type cars. And ACF Center Flow is a real lightweight... can carry bigger payloads every trip.

Fastest loading, too! Loading hatches are lined up down the center of the top of the car. No need to shift loading funnels from side to side to fill a Center Flow compartment.

Fastest unloading! Grain, sugar, flour, chemicals, plastic pellets all slide out with the least possible hang-up. Unloading hatches are lined up center bottom. (No space-wasting center sill to get in the way as in old-style cars.) What's more, Center Flow compartments are smooth as a rifle bore—no obstructions to cause contamination. They're virtually self-cleaning.

We make the revolutionary ACF Center Flow in aluminum or steel, with either pneumatic or gravity outlets, and from 2600 to 4000 cubic foot capacities.

AMERICAN CAR AND FOUNDRY
DIVISION
ACF INDUSTRIES

For more facts about how Center Flow can cut shipping costs, time and labor, write Henry A. Correa, Vice President – Marketing, ACF Industries, 750 Third Avenue, New York 17, New York.

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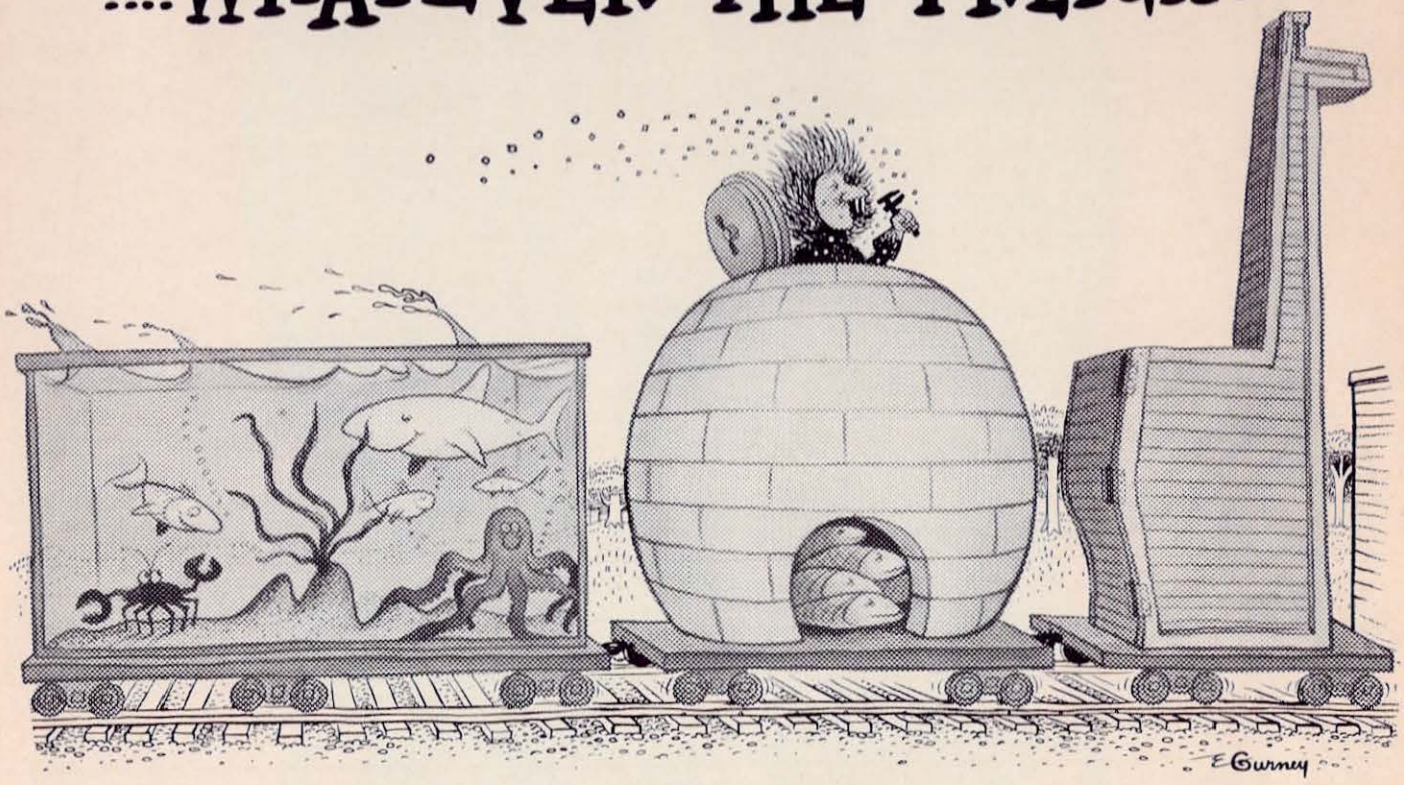
SOUTHERN RAILWAY SYSTEM HAS THE RIGHT CAR ....WHATEVER THE FREIGHT!



OUR artist is highly imaginative, but he *is* on the right track. You don't see cars like these on the Southern today, but don't bet that you never will. If enough of our customers ever want them, we'll furnish them—just as we are supplying right now an ever-increasing number and variety of our special-purpose freight cars *custom-designed* to meet specific shipping needs.

Here are some "for instances"...

Our "BIG JOHN" lightweight aluminum-body covered hopper car, of 5,000 cubic-foot capacity, that can carry a load of 100-tons-plus.

Our easy-load, easy-unload "all-door" freight car with roll-up sides that extend the length of the car.

Our high-capacity, lightweight wood-chip car that can handle more than twice the volume of chips as the formerly used standard hopper car.

Our "Super-Cushion" box car with a special hydraulic shock absorption device that "soaks up" damage-producing shocks.

Our multi-level automobile carriers that haul as many as 12 standard cars or 18 "compacts" from automobile assembly plants to distribution points on the railroad.

Our largest-in-the-world, jumbo box car, so big (10,000 cubic feet) that skylights are provided in the roof to illuminate the car's interior.

Our special container-carrying car in Rail-Highway Service, offering the best of both rail and highway transportation in one package.

Our open type, lumber-hauling "chain car" that eliminates as much as 80% of manual loading costs, one shipper said.

Most of these special-purpose cars were designed by Southern in our never-ending effort to increase our *usefulness* to our customers. Many new types of freight cars have been introduced by Southern Railway in recent years. Many more are coming. We are breaking with tradition to lower our customers' packaging, handling and transportation costs.

Like we said, don't bet on the future. The fact that something has "never been done" means to us that maybe it's time to do it!

SOUTHERN RAILWAY SYSTEM
WASHINGTON, D.C. *SOUTHERN SERVES THE SOUTH*

Low-Cost Freight System Proposed

The engineer largely responsible for the "integral train" proposal for reducing transportation costs and charges—John G. Kneiling of the New York engineering firm of T. J. Kauffeld—is now advancing a plan for "a transportation system capable of offering transcontinental freight rates on general cargo of approximately $6.50 per ton." Mr. Kneiling presented this proposal at a meeting of the American Transportation Research Forum at Pittsburgh, Dec. 28.

The suggestion is based on railroad service covering 29 stations which would directly embrace a population of 100,000,000 people and would include 80% of the entire population of the country, within 200 miles' trucking range of these 29 centers of freight concentration. A total of about 22,000 miles of railroad line would serve these 29 points.

As in the case of his "integral train" proposal, Mr. Kneiling's suggestion for a nationwide, low-cost, mass freight transportation set-up would involve the provision of novel equipment. He proposes complete palletization of all lading, with the pallets to be loaded on a long "car" unit which would accommodate 2,000 tons—with a dozen such "cars" constituting a train with 24,000 tons as its load. Each "car" would have its own locomotive unit of 5,000 hp. He believes the trains he proposes could attain road speeds of 125 mph on the routes he suggests, and that mechanization of loading and unloading—along with other economies—could bring costs so low that "no other carrier can compete economically."

L. J. Hibbard Named SperryAwardWinner

"Vision and persistence in applying the ignitron rectifier to railroad motive power" is the citation of the Elmer J. Sperry Award which is to be presented in January to L. J. Hibbard, retired Westinghouse Electric engineer.

Presentation is scheduled during the sessions of the Land Transportation Committee of the Institute of Electrical and Electronic Engineers which is holding its first Winter General Meeting Jan. 28-30 at the Hotel Statler-Hilton in New York.

The Institute of Electrical and Electronic Engineers will officially come into existence on Jan. 1, 1963, with the merger of the American Institute of Electrical Engineers and the Institute of Radio Engineers.

RAILROADING AFTER HOURS WITH JIM LYNE

ARTESIAN WELLS IN SALT WATER—Speaking of artesian wells (as I did here Dec. 3), Edgewater Steel's district manager at Chicago, D. W. Odiorne, tells me of an artesian well spouting fresh water at the ruins of a fish packing plant on Tangier island in Chesapeake bay—where the surface water is, of course, salt. Artesian conditions must have carried that water uncontaminated a long way—possibly from western Virginia or even farther.

I suspect there's still on deposit a lot of valuable knowledge about water, in the minds of railroaders—and water's a problem that grows in urgency year by year.

Incidentally, drillers of deep wells are important contributors to scientific knowledge—not only of water supplies but also of geology. For example, a few years back a driller in western Missouri showed me samples of debris from his drilling that he was sending to the state geologist. In return for this service, the geologist advised him on problems he was likely to face when drilling in unfamiliar places.

ODD-BALL PLACE NAMES—Station and town names seem to hold some inexplicable interest for other railroad-connected people besides myself. I have from R. P. Van Kirk, NY sales manager for the Wabash, a list of 29 such names, from Britain. Here are some of them: Amwell Great, Amwell Little, Bat & Ball, Beer, Blindbrothel, Black Pill, Dimple, Each End, Hand in Hole, Ham, Inchbelly, Much Hadham, Ossett Pale Side, Red Cat.

The distinctive quality of English place names is that most of them have some historical or geographical meaning. You see a town named Dartmouth (for instance) and, sure enough, it is located at the mouth of the Dart River. You might find a name like that in America for a place in the middle of a desert.

Incidentally the use of the word "hundred" meaning not 100, but a land area, is not limited to Britain in place names. Buell Hudson (editor and publisher of the Woonsocket, R.I., Call) tells me the term is also used in this way in Delaware.

'GEOLOGY AND RAILROADS'—My speculation here (Nov. 19), that there is a kinship between geology and railroad work, brings the interesting information (from Assistant Professor Franklin Stern of Rhode Island College at Providence) that there was published by Appleton in 1879 a book entitled "Geological Railway Guide." The author was James Macfarlane and the book held itself out to give information on the geological situation at every railway station.

Professor Stern would be glad if railroads generally would make it a practice to supply passengers with pamphlet literature descriptive of the country they're traversing. That would be frosting on the cake, I'd say—and, right now, most railroads don't feel they can afford much in the way of such trimmings. I hope the day soon will return when they can.

HIGH PAY, MORE LAYOFFS?—That illustrious chemist, Dr. Beeching, who heads the British railways, is one of the favorite targets for criticism in his country. This time he is getting it from the Economist magazine—for granting a 6% pay increase to railway shopmen. The Economist contends there should be an "earnings gap between industries into which labor should be moving and an industry from which it should be drifting away." The railways, of course, it would put in the latter category.

The thought seems to be that, the more surplus employees who can be induced to get jobs in other industries where the pay is better, the fewer outright lay-offs there'll have to be on the railways. Moderation in wage rates, therefore, is a remedial measure—helping to minimize involuntary unemployment. Anything wrong with this reasoning?

A 'LAVATORY' IS MISSING—Unknown malefactors, according to the Railway Gazette of London, have swiped a device designated (either accurately or euphemistically) as a "cast-iron lavatory" from the gentlemen's room of an unused railway station at Stowe-by-Chartley. The railway authorities were fixing to sell the contraption to some nostalgic railway fans, who want it as an exhibit in a museum they are establishing.

As I recall British railway terminology, the word "toilet" is used to designate a cubicle equipped with a wash basin. A "lavatory" is not a place set aside for the performance of ablutions.

M.T.S
THROUGH FREIGHT

St. Louis to Los Angeles

Now only 2 DAYS

Expedite your shipment from St. Louis to the West Coast by routing it via "M-T-S." (Missouri-Pacific — Texas & Pacific — Southern Pacific)

This train makes up in St. Louis, then highballs west on schedules usually assigned to crack passenger limiteds. Cars leaving St. Louis at 9:30 P.M. (CT) arrive in Los Angeles at 11:00 P.M. the second night—with better than 98% on-time performance!

For fastest West Coast service through the St. Louis gateway, specify the train that can't wait to get to California. Call your Texas and Pacific sales representative for details and schedules.

TEXAS & PACIFIC RAILWAY

Traffic Men See Better Times Ahead

Industrial traffic managers look forward to 1963 with considerable optimism, so far as business prospects for their companies, their industries or their territories are concerned.

Unfortunately, however, for railroads, their expectations of better business may not in all cases be translated into more freight car loadings, more rail ton-miles, or more railroad revenue. Total use of rail service may well increase, if the shippers' predictions are fulfilled. But contemplated policy changes calling for greater use of highway or water transport seem to foreshadow a further decline—and certainly no gain—in the rails' proportion of all traffic.

As the tabulated replies to the current Poll indicate, almost three out of every four respondents think their company (or their industry or territory) will enjoy better business next year than this. One out of four looks for the level to be about the same. The one man who foresees a possible downturn qualifies his statement with the assertion that the situation "could change"—inferentially for the better—"within two months."

Total transportation requirements are expected closely to follow the trend of business in general, i.e., larger in more than two out of three cases; the same in nearly all others.

Only about one respondent in two, on the other hand, expects to make more use of rail service in 1963 than in 1962. One in three plans to use the same amount; and one in seven figures on using less—relative to total business and/or total transport needs.

The last figure is net. It includes some men who think they will use more rail freight with an unchanged volume of total business, and a larger number who say they will make less use of railroads to handle more total business.

A good many factors enter into their predictions.

A midwestern manufacturer, for example, anticipates the same business and the same overall transportation requirements, but expects "to use TOFC Plans II and V more extensively," thus increasing its relative use of railroads. A Canadian company, which likewise looks for no significant change in total business, says "additional plant facilities will result in an increase in transportation, principally by rail." A midwestern U. S. steel company points out that equipment availability will affect its answer to Question No. 3.

Conversely, Reynolds Metals Co. (L. E. Galaspie, director of traffic) counts on better business, but "will start using water transportation for large movement of raw material that has moved by rail for 20 years." A major producer of canned foods also expects greater relative use of truck and water transportation—especially if railroads put into effect the higher charges for accessorial services which were the subject of public hearings at Chicago Dec. 4-6 (RA, Dec. 17, p. 11). Such charges, says this company's traffic manager, "can only tend to divert traffic from railroads instead of increasing their revenue to any extent."

A. M. Cloninger, general traffic manager, Longview Fibre Co., Longview, Wash., expects the company's "added production in 1963 to move into foreign markets"—though rising export tonnage, he says, "may be slowed down if Congress helps to increase domestic demand by passing tax reform legislation early next year."

Policy changes

About one respondent in six, including some of those already quoted, anticipates the possibility of major changes in transportation policies during the coming year. These cover a wide range; most encouraging is the answer of a southern industrial company whose traffic manager says he will:

"Support railroads in their efforts to meet competitive rates of all forms of transportation . . . give priority to rail routing when service and charges are equal to those of other forms . . . give all-out support to freedom of rate-making." "New rates established by the railroads," he adds, "have already produced additional traffic."

A food processing firm (not the one quoted above) sees "a 33% increase in rail shipping due to rate adjustments"; and a major producer of electronic products anticipates "more use of rail TOFC service."

On the other side of the picture, another electric products manufacturer "is still analyzing interplant hauling from a private standpoint . . . unless piggyback can give some flexibility to plants located just beyond big yards and/or cities." This company, says its traffic manager, "may make a trailerload a day, but not two to fill a flat car. We could make 35,000 lb to one destination, but not 100,000 lb per day. If TOFC can't go lower than truck rates, what is our advantage? I can use a plant truck from 20,000 to 35,000 lb. Why should railroads restrict themselves to 100,000 lb before they can give me an advantage over private or truckline hauling?"

"Service requirements to meet the

DECEMBER TRAFFIC POLL

PROPOSITION

Railway Age's final Traffic Poll for 1962 calls for a shipper forecast of business conditions and transportation requirements for 1963—in general terms and by comparison with the year just ended.

QUESTIONS

1) How do you expect your company's overall business in 1963 to compare with 1962?

Better	49
Same	18
Worse	1

2) How do you expect your total transportation requirements in 1963 to compare with 1962?

Larger	47
Same	20
Smaller	1

3) How do you expect your total use of railroad transportation in 1963 to compare with that for 1962?

Larger	36
Same	22
Smaller	9

4) Do you contemplate any major changes in your transportation policies within the next 12 months?

Yes	12
No	56
Uncertain	1

competitive situation and plant expansion with possible development of a private carrier fleet" under consideration by a glass company, would require "some major changes in policy and distribution methods."

In some cases, even though private transport seems not to be under consideration, there is evidence of a drift to highway or water movements. A sugar company, which is "venturing into liquid sugar on a much larger scale," says it will "do some barging to tank storage at river points for distribution beyond by truck." Its objective is to "cut down freight absorption, because we pay on 'wet' weight and charge customers on a 'dry' basis."

A mountain states shipping association's manager reports that he is checking truck costs, to see if his members could "move smaller amounts more often and give better service" than on their present 30,000- and 40,000-lb minimum carload basis.

A midwestern traffic manager looks for policy changes because "a top-level-initiated elimination of traffic management as a retrenching policy will cost the company large sums." "I cannot believe," he adds, "that this will continue unnoticed; therefore, new transportation managers will be employed, or . . . outside traffic bureau control."

"Pending rail proposals [presumably those for higher accessorial charges] might force us to re-evaluate our distribution patterns," says H. N. Johnson, general traffic manager, Ralston Purina Co., St. Louis. (Mr. Johnson also voices "concern" that railroads "are not doing a better job of furnishing suitable equipment. We need better box cars and more covered hopper cars.")

The traffic vice president of another major food processor points his finger directly at accessorial charge proposals. "If rails do not modify their drastic increase on 'fringe' transportation (transit, demurrage, stop-offs, etc.) my answer to Question 3 will be 'smaller' " —instead of "larger," as it actually was.

Other men say changes, if any, in their transport policies, will be due to "rate, legislative or service revisions" or to the attitude of railroads toward "realistic rate-making." One looks for his company to ship more rail tonnage "in absolute figures; whether in proportion of total is hedged with too many uncertainties to forecast."

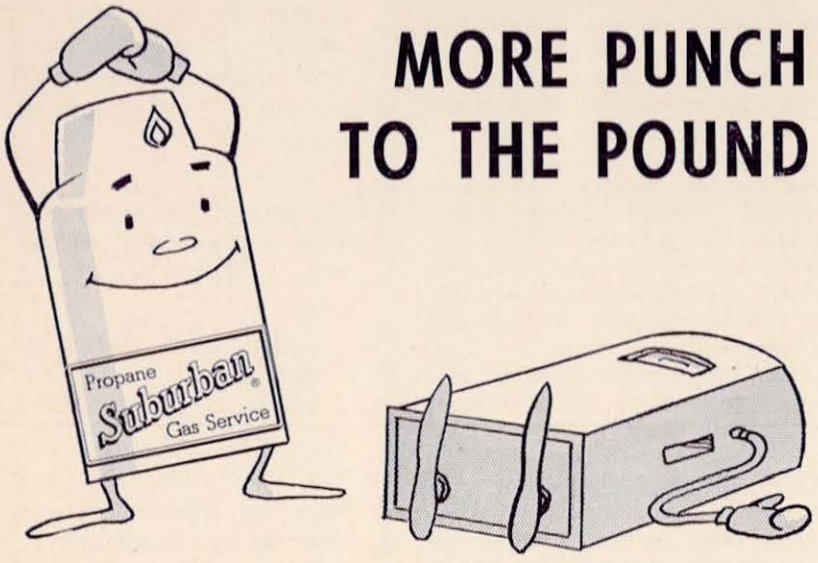
Other replies, however, hold some encouragement for railroads. The traffic vice president of a major chemical company "expects all modes of transport to improve next year." He "believes some of the unfair burdens now on the railroads will be lessened, and they will be more encouraged to go ahead and improve rates and service."

Another chemical traffic man anticipates an increase in business due to an expansion program. C. A. Meyer, executive general traffic manager of the Mosaic Tile Co., Zanesville, Ohio, says its sales have already increased because it has begun to make a new line of wall tile—and expects railroads to share.

R. A. Stuart, GTM, Whitehall Laboratories Division, American Home Products Corp., sees "more TOFC business and more box car business on long-haul, volume shipments."

W. R. Hofer, traffic manager, Olympia Brewing Co., Olympia, Wash., writes that "incentive carload rates published for our commodity have greatly increased the trend toward rail shipping. The ability of our consignees to obtain suitable warehouses on trackage will control the timing for additional diversions from truck and TOFC to carload movements."

The traffic commissioner of a midwest chamber of commerce, who apparently polled some of his members, reports that "one says he will be using more river barge service," but another thinks "incentive rates will increase rail traffic." A third says his use of rails will go up "if TOFC continues to work."



MORE PUNCH TO THE POUND

SUBURBAN PROPANE

Motor Fuel For Fork Lift Trucks

Every ounce is POWER when you use Suburban Propane (LP-gas) Motor Fuel in your fork-lift trucks. Unlike gasoline, Suburban Propane enters engine cylinders completely vaporized. There's no liquid to wash down cylinder walls . . . to dilute oil . . . to cause crankcase sludge.
And, with clean-burning Suburban Propane; engines last longer, maintenance costs are cut 50% and oil life is tripled.

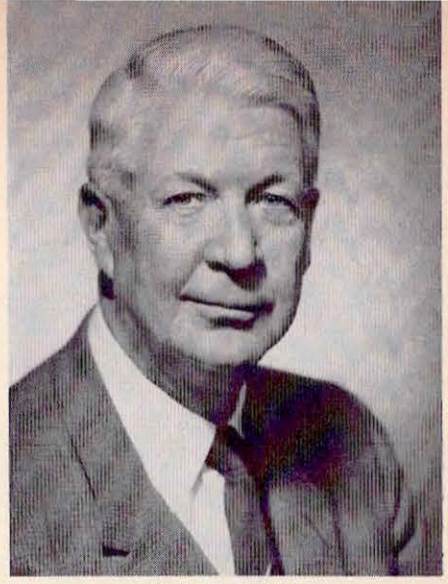
Get complete details today from your local Suburban Propane representative. Look under Gas-Liquefied in the Yellow Pages of your phone book for the Suburban Propane office nearest you.

SUBURBAN PROPANE

General Offices **Whippany, New Jersey**

A Third of a Century of Dependable Service

Control Case Fails To Slow Down WP



F. B. WHITMAN

What does a smartly run railroad do when it is faced with the prospect of absorption by a larger company? The answer, says President F. B. Whitman of the Western Pacific, is to keep plugging away to improve service and cut costs. He tells why—and what—in the following special interview.

Q. Mr. Whitman, both the Southern Pacific and Santa Fe are seeking to acquire the Western Pacific. Under the circumstances, it would seem logical for the WP to rest, so to speak, on its laurels of past accomplishment until the control case is decided. Yet you are continuing as actively as ever to look for ways of cutting costs and improving service. Why?

A. For two reasons.

First, it doesn't make sense for any business enterprise to give up sound long-range objectives while waiting for a decision that may affect its future. As of now, we don't know when that decision will be made. So there is just no point in marking time.

Second, it has been and will be our policy never to be satisfied with the service we give to our shippers or the return we pay to our owners. Therefore, we believe we should continue to pursue all courses of action which will make Western Pacific a stronger company.

Q. Would you venture a guess as to when the control decision may be made, or as to what it will be?

A. We hope it will come sometime during 1963; and we think it will favor the Santa Fe.

We definitely feel that the Interstate Commerce Commission has embraced the philosophy that there should be fewer railroad systems, and that it will ultimately decide to aline the WP with some other railroad. We think the time to make such a decision is now and in this case.

Under Santa Fe control, competition would be maintained, and the Western Pacific would be strengthened in its ability to provide top-notch service. Under the Santa Fe proposal we would continue to be, to all intents and purposes, an independent company subject only to overall control. That, of course, gives us added incentive to keep on with our programs of reducing costs and improving services.

Q. What are some of the steps you are taking to provide better service to shippers?

A. We are doing, or continuing to do, many different things—most of which you have reported from time to time in Railway Age.

Basically, we are striving to make it as easy and economical as possible for shippers to use our service tailored to their needs. We want to help them reduce their overall cost from origin to destination; to simplify their packaging and loading problems; to cut loss and damage.

To those ends, we pioneered in use of Compartmentizer cars. We have made special studies of packing and loading methods for shippers of many different types of commodities—most recently on fresh meats. We are currently testing cars with long-travel draft gear and sliding center sills; DF cars with a smaller-than-standard number of interior cross members; and Tenelon-steel drop-bottom gondola cars for bulk commodities.

All this, of course, ties in with our concept of "marketing" our freight service, as contrasted with merely soliciting traffic. We established this marketing concept three years ago and, though it is still a little too early to say for sure, results to date indicate that it is succeeding. Certainly we have achieved a genuine awareness on the part of our own people that this emphasis on marketing is of paramount importance as a means of increasing our freight traffic.

Q. Does your overall program include rate research?

A. Yes. There are no specific cases about which I can tell you at the moment, but we have developed information as to movements where we think we can make rate adjustments that will regain business.

Q. You mentioned, just now, special freight cars of various types, of which I believe you have a relatively large number. Do you try to keep those cars on your own line, and, if so, how do you do it?

A. All told, we have about 1,900 such cars. We do not try to keep them on line, but we do keep careful control of their movements to make sure they are fully utilized. The cars are expensive enough to justify some added expense for such policing.

Q. You also mentioned efforts to reduce loss and damage. How have shippers responded to those efforts?

A. Some, especially the larger ones, have responded well. The degree of response seems to depend largely on the shipper's conception as to the proper function of his traffic manager. Where he is considered to be a "distribution manager" the response is better than where he is limited to the mere handling of rates and routes. Fortunately, there seems to be a growing tendency on the part of industry to recognize the importance of handling, shipping and distribution costs, and to consider control of those costs as a proper part of the traffic manager's job. As that recognition grows, I think shipper response to our damage-prevention efforts will grow along with it.

Q. How does TOFC fit into your overall service picture?

A. It is one of the bright spots. It is a prime area where we can move forward even under existing regulatory handicaps. It does, of course, require careful figuring of costs and careful planning for two-way movements. For those reasons, growth in our own TOFC business is relatively slow, but it is also steady.

Q. Are you apprehensive about the ICC's Ex Parte 230 investigation of TOFC?

A. No. We can make out a good case. Our operation to date has been on a sound basis, and I am sure the Commission won't disapprove.

Q. On the other side of the fence, what are you doing in the way of cost reduction?

A. Our efforts in that direction are similar to those of other railroads, but perhaps more intensive. We have oc-

(Continued on page 34)

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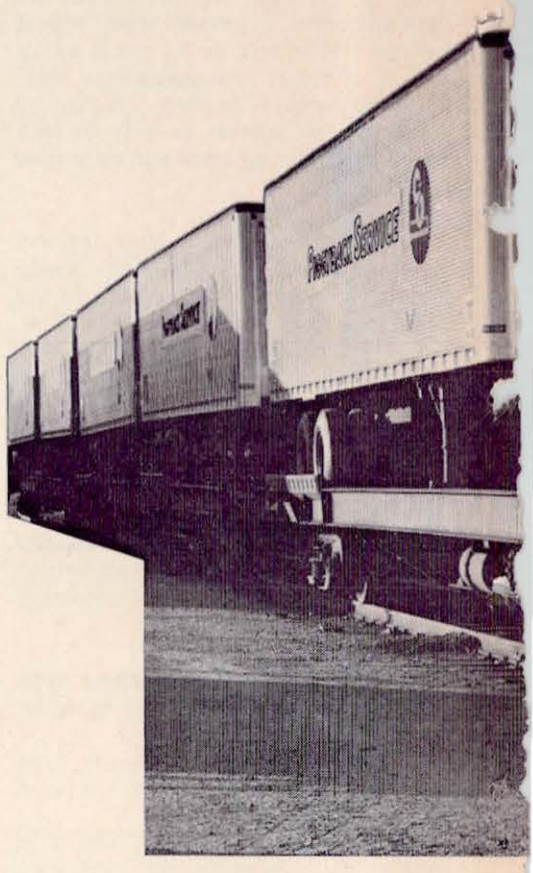

Long recognized as a major coal carrier, C&O several years ago embarked on a program of greater diversity in its traffic operations. Today, C&O's revenues from its merchandise business alone place it among the leaders in the railroad industry. "Chessie" was the first railroad to operate piggyback service in its passenger trains. In 1960, C&O joined 22 other railroads in the Trailer Train Company, whose members carry over half the national piggyback volume.

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WP Still Works Hard

(*Continued from page 31*)

casionally used a special "task force," made up of men who we thought were especially imaginative, to make detailed analyses in particular areas.

Certainly no one should ever overlook the importance of doing everything that can be done to cut costs. Railroads are going to be faced continuously with labor demands for wage increases. It's hard to find ways to offset those demands. It requires imaginative thinking. But we have done it in the past and we expect to be able to continue.

We must not ignore the need for reducing costs, both for ourselves and our shippers. At the same time, we can't emphasize cost cutting to the exclusion of the growth we are trying to achieve through our marketing program.

Q. It seems to be rather generally agreed that important economies can be achieved by reducing paper work. What are you doing along that line?

A. Like many other railroads, we are currently adapting as much as we can to automatic data processing. But we want to cut paper work without sacrificing any of the data we need for control, or information for sales forces, so they can make better use of their time and do more effective selling.

In this connection, we do have one new development which may be of eventual general interest. Right now, we are beginning a joint effort with a large company which is experienced in the field of data processing systems in an effort to develop better control information. This effort is the initial entry of this company into the railroad data field, and the study is being conducted separately from our own use of EDP, or our own efforts to simplify paper work. This project is starting from scratch, completely disregarding our present system and taking a brand new look at the whole thing. We in the railroad business tend to become creatures of habit. We find it hard to get away from the old ways of doing things. It's a constant struggle to find effective and economical new ways to produce equal or, hopefully, better, results at less expense. We think this effort may indicate some new approaches [RA, Dec. 3, p. 20].

Q. Looking at the railroad industry as a whole, what do you consider to be the most hopeful feature of its present situation?

A. The change in the political climate which has taken place—a growing recognition by Congress and the general public that sound legislation must be enacted which will enable railroads to do a more effective job of competing. Congress, I think, is beginning to realize that we need the relief along the lines recommended by President Kennedy. I hope the effort will go still farther so we have the right to put in rates that will give effect to our position as the low-cost carrier. The courts, too, seem to have given recognition to the intent of Congress in passing the Transportation Act of 1958, which no longer requires us to hold a rate umbrella over our competition.

I am also optimistic that some reasonable settlement of the work rules controversy, along the lines recommended by the Presidential Commission, will give us relief from obsolete requirements.

Another hopeful feature, which I mentioned earlier, is the steady growth of TOFC service.

Q. Conversely, what do you think is the most disappointing, or unfavorable, factor in the industry's situation?

A. The failure of state governments to eliminate inequities in tax assessments. In many states there is a continuing tendency to assess railroad property at higher valuations than property belonging to other modes of transport. Rail freight stations, for example, are more heavily taxed than comparable truck company facilities. This presents a serious handicap in our competitive situation. We think this is unfair, because we see no reason why our property should be assessed more highly than that of our competitors.

More Coal Will Move—But How?

Pittsburgh—Fuel experts are indicating optimism that western Pennsylvania's mostly moribund coal-mining industry is due for a revival—but they're talking in terms of slurry pipelines and mine-mouth power plants, not railroad transportation of the millions of tons of coal waiting to be mined in the Pittsburgh region. As the situation shapes up, use of hydro-electric power will continue to expand so long as good hydro sites exist—but the number of still-available good locations continues to decline. Uranium is coming on strong as a source of electric power—but it isn't likely to challenge coal for another 10 to 15 years (or until reserves are depleted) because of the price advantages made possible by pipelines and mine-mouth power plant transmission systems.

Railroads, however, are muscling into the thick of the fight for coal-hauling business. Their weapon: the integral-train concept, which carries the double-barreled advantage of cutting coal transportation costs at the same time it provides new sources of revenues to keep common-carrier rail lines strong.

●

Carriers in western Pennsylvania and eastern Ohio are getting set for a new battle with the canal builders — and their unfading dream of linking the Ohio River with Lake Erie. Opponents of the billion-dollar-ditch proposal put up a strong case this year—based largely on the economic absurdities involved in canal construction and operation. But they're looking for a tougher fight next year. Canal backers are expected to vary their strategy—by splitting the project into pieces and by bringing in a series of fringe benefits which the area would get (allegedly) if the ditch is dug.

The state of Ohio has been asked to study, as a separate project, construction of a giant reservoir which would in fact, represent about one-third of the proposed canal's length.

Moreover, there's a good chance that the pro-canal case in '63 will be loaded with estimates of potential benefits in the areas of recreation, pollution abatement and flood control. In the past, benefits have been set forth largely in terms of transportation "savings"—and canal opponents have done a solid job of demolishing these arguments.

Most of the pressure for the canal comes from interests in the Youngstown, Ohio, area—and particularly from Rep. Michael J. Kirwan, a member of the powerful House Committee on Appropriations and four of its subcommittees in the last Congress. And, of course, the U.S. Army Corps of Engineers is in the fracas up to its epaulets.

—Gus Welty

Market Outlook

Carloadings Drop 6.8% Below Previous Week's

Loadings of revenue freight in the week ended Dec. 15 totaled 501,033 cars, the Association of American Railroads announced on Dec. 20. This was a decrease of 36,359 cars, or 6.8%, compared with the previous week; a decrease of 32,238 cars, or 6.0%, compared with the corresponding week last year; and an increase of 14,984 cars, or 3.1%, compared with the equivalent 1960 week.

REVENUE FREIGHT CARLOADINGS
For the week ended Saturday, December 15

District	1962	1961	1960
Eastern	73,133	80,224	67,302
Allegheny	77,060	90,394	71,712
Pocahontas	42,087	52,388	40,307
Southern	100,043	103,404	101,506
Northwestern	56,805	56,597	57,213
Central Western	116,042	113,999	112,121
Southwestern	35,863	36,265	35,888
Total Western Districts	208,710	206,861	205,222
Total All Roads	501,033	533,271	486,049
Commodities:			
Grain and grain products	46,726	53,104	47,743
Livestock	3,446	3,382	4,345
Coal	96,792	111,158	96,010
Coke	6,512	7,732	5,413
Forest Products	34,996	32,794	33,694
Ore	10,779	15,604	11,210
Merchandise l.c.l.	18,697	24,146	27,121
Miscellaneous	283,115	285,351	260,913
December 15	501,033	533,271	486,049
December 8	537,392	563,031	517,618
December 1	562,254	572,800	522,936
November 24	484,257	495,466	471,351
November 17	571,401	591,335	567,561
Cumulative total, 50 weeks	27,848,498	27,645,741	29,567,302

PIGGYBACK CARLOADINGS.—U.S. piggyback loadings for the week ended Dec. 15 totaled 14,164 cars, compared with 12,343 for the corresponding 1961 week. Loadings for 1962 up to Dec. 15 totaled 684,388 cars, compared with 571,325 for the corresponding period of 1961.

IN CANADA.—Carloadings for the nine-day period ended Nov. 30 totaled 92,582 cars, compared with 66,541 for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada		
Nov. 30, 1962	92,582	28,330
Nov. 30, 1961	90,500	28,564
Cumulative Totals		
Nov. 30, 1962	3,291,113	1,094,121
Nov. 30, 1961	3,220,645	1,116,413

New Equipment

FREIGHT-TRAIN CARS

► *Chesapeake & Ohio.*—Ordered 500 70-ton hopper cars from its Raceland shops. Delivery will begin Feb. 1 at the rate of 16 cars per day.

► *Denver & Rio Grande Western.*—Ordered 100 50-ft, 70-ton, cushion-underframe box cars from ACF.

► *Rock Island.*—Ordered 200 50½-ft insulated box cars from General American at a cost of $3,600,000. The cars, equipped with movable bulkheads, roller bearings and cushion underframes, will be delivered during 1963's first quarter.

► *Union Tank Car.*—Built 110 tank cars at company shops in the U.S. and Canada in November.

► *Bad Order Ratio 0.7% Lower Than Last Year.*—Class I roads on Nov. 1 owned 1,563,290 freight cars, 50,743 less than on Nov. 1, 1961, according to AAR report summarized below. Bad order ratio was 0.7% lower than on Nov. 1, 1961.

	Nov. 1, 1962	Nov. 1, 1961	Change
Car ownership	1,563,290	1,614,033	— 50,743
Waiting repairs	131,055	147,043	— 15,988
Repair ratio	8.4%	9.1%	— 0.7%

LOCOMOTIVES

► *Denver & Rio Grande Western.*—Ordered 15 2,250-hp diesel-electric locomotives from EMD for delivery in February.

► *Pennsylvania.*—Ordered 52 2,250-hp diesel-electric locomotives from EMD at a cost of approximately $10,750,000. Deliveries will begin in February and will be completed by the end of May.

FOREIGN

► *Burma.*—Controller of Stores, Burma Railways, Botataung, Rangoon, requests bids on approximately 4,000 pieces of various types of hardware for freight and passenger cars. Closing date is Jan. 31, 1963.

Orders and Deliveries

► *Orders Decrease.*—Orders were placed in November for 3,573 freight cars, compared with 4,436 in October. November 1961 orders totaled 4,109. Deliveries in November totaled 2,205, compared with 2,799 in October, and 2,438 in November 1961. Backlog of cars on order and undelivered on Dec. 1 was 13,502, compared with 12,159 on Nov. 1 and 11,983 on Dec. 1, 1961.

TYPE	ORDERED NOVEMBER, 1962	DELIVERED NOVEMBER, 1962	ON ORDER & UNDELIVERED DECEMBER 1, 1962
Box—Plain	705	488	2,737
Flat	834	348	1,676
Gondola	105	0	590
Hopper	504	236	1,951
Covered Hopper	67	197	838
Refrigerator	555	459	3,566
Stock	0	25	75
Tank	362	400	1,420
Caboose	1	13	74
Other	440	39	575
TOTAL	3,573	2,205	13,502
Car Builders	2,962	1,660	7,039
Railroad Shops	611	545	6,463

(Continued on following page)

Market Outlook CONTINUED

New Facilities

► *Atlantic Coast Line.*—Ordered signal equipment from Union Switch & Signal for installation of CTC on 85 miles of track between Florence and Charleston, S.C. Control will be from a 12-ft machine at Florence. ACL has also ordered 24 sets of transistorized 2R series radio equipment to be installed on locomotives.

FOREIGN

► *Cameroon.*—Bids will be invited early in 1963 for construction of the first section (220 miles) of the Transcameroon Railway, between Yaounde and Goyoum. The project will be financed jointly by the U.S. Agency for International Development and the European Development Fund of the European Economic Community.

► *New Zealand Government Railways.*—Requests sealed bids, due Jan. 30, 1963, on 492 91-lb track turnout switches.

Capital Expenditures

► *Great Northern.*—Capital expenditures will total $24 million in 1963. Equipment acquisitions ($18 million) will include 17 diesels; 700 50-ft, 70-ton box cars equipped with plug doors; 50 60-ft, 70-ton flat cars; 50 90-ton covered hopper cars; 20 70-ton Airslide covered hopper cars; and 20 all-steel cabooses. In addition, GN has leased 550 double-door box cars from A. A. Morrison Co., New York, for delivery in first quarter 1963. Property improvements ($6 million) will include installation of 75 miles of new rail, continuation of work on a major line change in Washington, and installation of additional CTC in North Dakota and Montana.

► *Illinois Central.*—Expenditures in 1963 will total approximately $32 million, including almost $25 million for new equipment. IC will acquire 14 general-purpose diesels; 250 70-ton box cars with shock-control underframes; 100 70-ton insulated box cars; 350 70-ton standard-underframe box cars; 100 100-ton covered hopper cars; 50 70-ton Airslide covered hopper cars; 1,000 70-ton hopper cars; 200 50-ton and 25 70-ton flat cars with cast-steel underframes; and 25 cabooses.

► *Milwaukee.*—Improvement budget in 1963 will total about $19.5 million, including $5 million for rebuilding 3,000 40-ft and 50-ft box cars; $4.25 million for purchase of 16 turbocharged diesels, 50 50-ft insulated box cars and 50 4,000-cu-ft-capacity covered hopper cars; and $6.75 million for improvements to fixed property. In addition, the road will repower 30 freight diesels and will schedule repairs or rebuilding involving a large number of gondola, refrigerator and other types of freight cars. Fixed property improvements include a major enlargement of track facilities at Bensenville, Ill., yard for handling Flexi-Van and conventional piggyback.

► *Santa Fe.*—Gross capital expenditures in 1963 will be $90 million. Equipment acquisitions will include 58 new diesels; approximately 3,000 freight cars of various types; 24 hi-level passenger cars (RA, Dec. 10, p. 48); 25 semi-lightweight baggage cars; and 6 lightweight RPO cars. Improvements to fixed property will include replacement of 245 miles of track with new welded rail; and installation of microwave from Amarillo, Tex., to Winslow, Ariz., completing the link between Kansas City and the West Coast.

Waste Packing: It Doesn't Pay

Railroads lose money by operating cars with waste-packed journal boxes. This fact was brought out in a recent AAR Mechanical Division study that showed that the monthly cost of lubrication attention for waste-packed cars is $1.25, compared with $1.20 for a car with lubricating devices.

While all freight cars in interchange are required to be equipped with journal lubricating devices by Interchange Rule 3 (j) (3), there are still a substantial number of captive cars in service with waste-packed journal boxes. These cars are responsible for a percentage of the reportable hotboxes that is high and out of proportion to the number of cars so equipped. Although up-to-date information is not available, it is probable that less than 5% of the railroad and privately owned freight cars are equipped with waste-packed journal boxes. Yet the last hotbox summary, dated Nov. 9, 1962, showed that cars equipped with waste and other devices were responsible for 537 or about 19% of the 2,844 hotboxes reported for the month of August 1962. These hotboxes resulted in 918,711 miles per hotbox car setoff for that month but it is believed that the record would be greatly improved if all waste-packed captive cars were to be equipped with lubricating devices.

The cost figures were based on Sept. 15, 1962 prices. For applying lubricating devices to 10-in. journals and eight journal boxes labor cost is 179 min at $5.15 per hr or $15.37, oil at $1.68, and lubricating devices at $2.35 each or $18.80 per car set, a total cost of $35.85. With a repack period for lubricating devices of 30 months the cost per month is $1.20.

For removing and replacing waste for the same journal boxes the labor cost is 206 min at $5.15 per hr or $17.65, oil, waste and rags are $4.90, a total cost of $22.55. With a repack period of 18 months the cost per month is $1.25.

Dividends Declared

ALLEGHENY & WESTERN.—guaranteed, $3, semi-annual, payable Jan. 1 to holders of record Dec. 14.

ATCHISON, TOPEKA & SANTA FE.—common, 30¢, quarterly, payable March 1 to holders of record Jan. 25; extra, 25¢, payable Jan. 11 to holders of record Dec. 7; 5% preferred, 25¢, semi-annual, payable Feb. 1 to holders of record Dec. 28.

BEECH CREEK.—4% guaranteed, 50¢, quarterly, payable Jan. 1 to holders of record Dec. 14.

CANADIAN PACIFIC.—common, 75¢, semi-annual, payable Feb. 28 to holders of record Jan. 7; Preference (final payment in sterling), 2%, payable Feb. 1 to holders of record Dec. 31.

GULF, MOBILE & OHIO.—$5, preferred, $1.25, quarterly, payable June 10, 1963, to holders of record May 24.

E. W. Wright
B&O

D. G. Payne
C&NW

G. E. Kellogg
CGW

E. L. Simmons
FW&D

PEOPLE IN THE NEWS

AKRON, CANTON & YOUNGSTOWN.—John F. Bresnahan appointed regional manager—sales, Chicago, succeeding **Greg C. Gormaly,** retired Dec. 31. Abolished position of assistant regional manager—sales.

BALTIMORE & OHIO.—E. W. Wright, executive in the motor-carrier industry, joins the B&O as assistant to the president on Jan. 1. Mr. Wright will have charge of coordinated services with trucking firms, including piggyback operations. Mr. Wright, since early 1962, has been president and general manager at Dallas, Tex., of Southern Plaza Express, Inc., a subsidiary of the Ryder System.

BOSTON & MAINE.—George H. Bolton, director of purchases and stores, Boston, Mass., retired Dec. 3.

BROOKLYN EASTERN DISTRICT TERMINAL.—K. G. MacCart elected chairman of the board, replacing **Harry W. Havemeyer,** resigned to become vice president and director of the National Sugar Refining Co. **N. G. Cutter,** manager, traffic and operations, elected vice president, traffic and operations. **J. D. Mead,** manager equipment and structures, elected vice president, equipment and structures. **M. Marincel,** assistant treasurer, named treasurer. **Miss Rae Sokoloff** named assistant secretary.

CANADIAN PACIFIC.—R. McEwen, superintendent, Winnipeg, Man., named superintendent, Brandon division, Brandon, Man., to succeed **A. L. Lowe,** who retired Nov. 30.

CHICAGO & NORTH WESTERN.—D. G. Payne, assistant traffic manager, Chicago, appointed traffic manager—northern region, St. Paul, Minn., to succeed **Edward H. Richards,** assistant general traffic manager, who retires Dec. 31.

R. D. Nelson, division engineer, Dakota division, Huron, S.D., transferred to the Iowa division, Boone, Ia., replacing **H. L. Barr** who retires Dec. 31. **H. L. Keeler** succeeds Mr. Nelson.

CHICAGO GREAT WESTERN.—G. E. Kellogg, secretary and comptroller, Oelwein, Iowa, elected also vice president.

COTTON BELT.—Joseph W. Dulaney appointed freight traffic manager—sales and service, St. Louis, Mo., succeeding **C. J. Dinkelkamp,** retired.

DENVER & RIO GRANDE WESTERN.—Fred H. Booth, general freight agent, and **P. K. Yonge,** director of agriculture, who retires Dec. 31.

DETROIT, TOLEDO & IRONTON.—Edgar A. Walther, general traffic manager, Dearborn, Mich., elected vice president—traffic there, to succeed **O. C. Grimshaw,** who retires Dec. 31. Mr. Walther's former position abolished.

FORT WORTH & DENVER.—E. L. Simmons, assistant freight traffic manager, Burlington, St. Louis, elected vice president, FW&D, Fort Worth, Tex., effective Jan. 1, to succeed **R. Wright Armstrong,** who retires after more than 37 years of service.

GULF, MOBILE & OHIO.—Fred L. Johnson, general claim agent, Mobile, Ala., who retires Dec. 31.

JERSEY CENTRAL.—Charles J. Kureck, assistant research accountant, named auditor of revenues, Jersey City, N.J., succeeding the late **Thomas F. Finnerty.**

LOUISVILLE & NASHVILLE.—C. L. Gatton appointed engineer of construction, DeCoursey, Ky. **M. C. Taylor,** engineer, work equipment, Louisville, Ky., retired. **L. J. Calloway** named engineer, work equipment—maintenance, and **W. M. Lutts** appointed engineer, work equipment—development, both at Louisville. **J. C. Brown** appointed supervisor, work equipment, Louisville.

R. L. Grimes, assistant superintendent, Louisville, Ky., promoted to superintendent, Louisville division, succeeding **W. R. Winkler,** who retired Dec. 16 after 51 years' service.

Clark Dunn, division passenger agent, Atlanta, Ga., retires Dec. 31 after more than 45 years with the L&N. Mr. Dunn will be succeeded by **Martin Kinzel,** who becomes district passenger agent. Mr. Kinzel has been in the Atlanta passenger department since 1923.

MONTPELIER & BARRE.—B. S. Sloboda, general superintendent, appointed general manager, Boston, Mass.

NEW HAVEN.—Joseph E. Limerick appointed tax agent, New Haven, Conn., succeeding **George H. Webster,** retired.

NEW YORK CENTRAL.—Samuel H. Hellenbrand, system director of taxes, New York, appointed to the newly created position of vice president—planning and development. The office of transportation and economic research has been placed under Mr. Hellenbrand's jurisdiction. He will coordinate the planning of all departments in connection with the NYC—Pennsylvania merger.

In a reorganization of the operating department, **Robert D. Timpany** appointed to the new post of assistant vice president—operating administration, New York, effective Jan. 1, 1963. **R. G. Flannery,** general manager, Northern district, Detroit, Mich., succeeds Mr. Timpany as general manager, Western district, Cleveland, Ohio. **C. T. Popma,** division superintendent, Cleveland, succeeds Mr. Flannery as general manager at Detroit.

A. E. Jaeckle appointed mechanical engineer—special car equipment, New York.

NORFOLK SOUTHERN.—G. Lee Howerton, commercial agent, Raleigh, N.C., promoted to general agent, Winston-Salem, N.C., succeeding **J. B. Queensbury, Jr.,** who retires Dec. 31. **John H. Grotheer,** associate general agent, Birmingham, Ala., appointed general agent there, succeeding **N. W. Guice,** retired.

PENNSYLVANIA.—John B. Dorrance, Jr., passenger manager, New York region, appointed general manager, passenger sales—system, Philadelphia, succeeding **Earle R. Comer,** retired.

READING.—J. Warren Lawson, manager, market research, retires Dec. 31, after over 45 years with the Reading.

REA EXPRESS.—Joseph D. Klug, assistant to director of sales, appointed district sales manager in Northern New Jersey and Northeastern Pennsylvania, at Newark, N.J.

ROCK ISLAND.—Effective Jan. 1, **Claude D. Mason,** general freight agent, San Francisco, appointed district sales manager there, and **Harold W. Brown,** general agent, Los Angeles, named district sales manager at that point. **William B. Futral,** assistant traffic manager, Los Angeles, transferred to Houston, Tex., to replace **Ray W. Sager,** who retires Dec. 31.

SANTA FE.—J. D. Swauger named superintendent of shops, Argentine, Kan., with jurisdiction over the Kansas City division. Position of master mechanic at Argentine abolished. Jurisdiction of **W. R. Cowdrey,** general master mechanic, Newton, Kan., ex-

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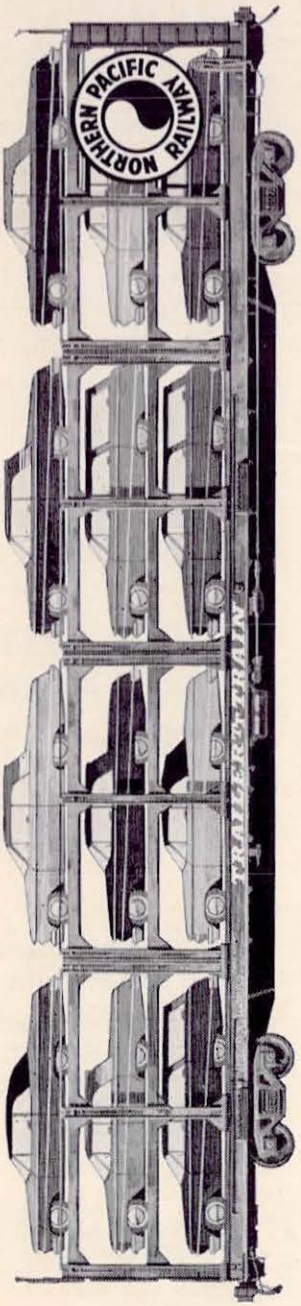

tended to include all of the Eastern, Middle and Oklahoma divisions.

N. W. Thorne named assistant signal engineer, Eastern Lines, Topeka, Kan.

SOUTHERN.—The following title changes have been made at Washington, D.C.: **T. O. McConnell,** from director, statistics and reports, to assistant to comptroller; **W. A. Boltwood,** from auditor of disbursements, to manager, disbursement accounting; **A. A. Hessling,** from auditor construction, to manager, capital accounting; **W. H. Pitt,** from auditor, joint facilities, to manager, joint facility accounting; **R. T. Stinnett,** from auditor, corporate accounts; to manager, corporate accounts.

At Atlanta, Ga., the following title changes have been made: **J. T. Bolling,** from auditor, freight and passenger accounts, to director, revenue accounting; **J. N. Black,** from auditor, computer accounting, to director, data processing; **H. T. Amy,** from auditor payrolls, to manager, payroll accounting; and **E. N. Byrd,** from auditor, overcharge claims, to manager, overcharge claims.

SOUTHERN PACIFIC.—**Cyril M. Bills** named income tax auditor, San Francisco, to replace **Thomas E. Walsh,** appointed assistant general auditor, with jurisdiction over income tax matters.

SOUTHWESTERN FREIGHT BUREAU.—Has moved to 1015 Locust Street St. Louis 1, Mo., effective Dec. 10. It was formerly located at 313 North 9th Street, St. Louis 1. **J. R. Peel** is chairman.

TEXAS & PACIFIC.—**O. B. Sayers** appointed director of personnel.

Supply Trade

Paul D. Howard, formerly railroad market manager, **Reflective Products Division, Minnesota Mining & Manufacturing Co.,** has been appointed sales manager, **Freight Master Division, Halliburton Company,** with temporary headquarters at St. Paul, Minn.

Jack R. Kruizenga, executive vice president and treasurer of the **Union Tank Car** subsidiary, **Refiners Transport & Terminal Corp.,** has been elected president, replacing **Frank Baird-Smith,** retired (RA, Dec. 17, p. 47).

Charles R. Culp, formerly with the New York Central System and ACF Industries, Inc., has joined the **Buffalo Brake Beam Co.** and Unit Truck Corp. as engineer of research and development at New York.

Eugene P. Berg, executive vice president of **Bucyrus-Erie Co.,** has been elected president, succeeding **Robert G. Allen,** who retired Dec. 15.

William J. Lenahan, assistant district sales manager, **Okonite Co.,** Boston, Mass., has been appointed district sales manager there, succeeding **Charles W. Lyons,** who retires Dec. 31.

The Cleveland office of the **Timken Roller Bearing Co.**—Industrial Bearing, Steel & Tube and Railway divisions—moved on Nov. 30 to the Shaker Building, 3645 Warrensville Center Road, Cleveland 22, Ohio. **H. L. Hexamer** is district manager, Railway division there.

The Wood Preserving Division, Koppers Company, Inc., and the **Alger-Sullivan Sawmill Co.** have made an agreement under which Koppers will promote and sell Alger laminated products, including "Alger Deck" and "Alger Board," decking and lining for railroad cars and truck and trailer bodies.

T. L. Hoffman has been appointed sales representative, **Rail Anchor division of True Temper Corp.** Mr. Hoffman will cover the western section of the country, with headquarters in the Chicago area.

In a recent reorganization of the marketing division of the **Okonite Co.,** Passaic, N.J., **Edward E. McIlveen** was named manager of power and control cable products and **Thomas J. Graham** was appointed manager of paper cable products.

Edward S. Wygonik has been appointed manager, Industrial Plastics and Bearings Division of **Joseph T. Ryerson & Son. Inc.,** succeeding the late **John McDermott.**

Systems Analysis and Research Corp., Boston, Mass., has announced that **Paul Hendrick** is now associated with the firm to direct industrial planning research and resource development studies. Mr. Hendrick was formerly director of research, New Hampshire State Planning and Development Commission.

Industrial Traffic

Joseph G. Cooper, general traffic manager, **Bethlehem Steel Co.,** Bethlehem, Pa., has been named an assistant vice president. **John C. Howard,** an assistant general traffic manager, also has been named an assistant vice president. **James T. Davin,** assistant general traffic manager, succeeds Mr. Cooper as general traffic manager.

W. H. Bechtol has been named transportation manager of **Shenango Incorporated,** which was organized in 1962 and jointly owned by the Shenango Furnace Co. and Pittsburgh Coke & Chemical Co.

George J. Mason has been appointed general traffic manager, **Wyandotte Chemical Co.,** Wyandotte, Mich.

Joseph W. Hepburn has been appointed assistant director of purchases and trade relations, **National Can Corp.,** Chicago, in addition to his duties as general traffic manager.

Percy T. Brewbaker, has been named director of transportation of **Hooker Chemical Corp.,** New York, a newly created post. Since 1960 Mr. Brewbaker has been corporate manager of transportation, and traffic manager, Eastern Chemical Division.

John E. Yancey, assistant traffic manager, **Penn-Dixie Cement Corp.,** Atlanta, Ga., has been appointed Southern traffic manager there, effective Jan. 1.

O. Denton Hudson, transportation manager, **Armour Agricultural Chemical Co.,** Atlanta, Ga., has been named chairman of traffic committee, National Plant Food Institute, succeeding **Robert V. Peabody** of Smith-Douglass Co.

Scott Finken has been appointed traffic manager of the **Vendo Co.,** Kansas City, Mo., succeeding the late **W. M. Boring.**

Charles L. Boyle has been elected vice president in charge of transportation, **Sun Oil Co.,** New York.

Russell S. Callahan, formerly traffic manager of **Lestoil Inc.,** Holyoke, Mass., has established his own traffic consulting service at 51 Garfield Street, Holyoke.

OBITUARY

Lester R. Knott, 67, retired executive vice chairman, **Association of American Railroads,** died Dec. 13 in Forkosh Hospital, Chicago.

U.S. Court Upholds Strike Insurance

A federal judge has dismissed the 'tortured and strained' complaint of a railroad union that challenged the legality of the industry's 'service interruption' pact. The BRT filed the suit.

Chief Judge Sylvester J. Ryan of U. S. District Court in New York has dismissed a BRT suit challenging the legality of the railroads' strike insurance program. An appeal has been filed.

The Long Island, 22 other railroads and the AAR were defendants in the civil suit, filed by the Trainmen as an aftermath of the 26-day BRT strike against LIRR in 1960.

BRT's action charged that the "service interruption" insurance plan violated the Railway Labor Act, the Interstate Commerce Act and the Sherman Act. Judge Ryan, taking up each charge in turn, disagreed.

His conclusion: that the railroads had attempted to equalize the economic pressures involved in collective bargaining—and that the union didn't like it.

"From the tortured and strained construction given by plaintiff to the insurance policy in suit, the statutes relied on and the conclusions attempted to be drawn from plaintiff's interpretation," the judge declared, "the real complaint emerges (described in plaintiff's own words): that the railroads have attempted to eliminate 'the inevitable financial loss involved in a work stoppage', and that this adversely affected plaintiff's economic position in its efforts to secure its demands from the industry."

Although the BRT complaint dealt specifically with the Long Island case, it made more than oblique references to the work-rules dispute.

A further charge made by the union, Judge Ryan noted, was that the defendants "agreed that the AAR, through its vice president in charge of public relations, using illegally pooled earnings of the defendants, would embark upon an expensive and elaborate public relations program critical of the prevailing rules agreements between railway labor and the railroads, which program was designed to create a climate of public opinion which would accept a prolonged interruption in the rail transportation system in the United States whether by strike or lockout."

The railroads denied that their actions violated the RLA and cited the Norris-LaGuardia and Clayton Acts as protecting the protested activities.

Judge Ryan took a broad look at railroad financial and labor-relations history before going into the merits of the complaint. Obviously, he said, the "poor financial condition of many railroads was seriously and adversely affected by labor difficulties which the history of those years [past] reveals were not few in number. The labor peace hoped for by enactment of the Railway Labor Act and by the effects of the statutory Presidential Emergency Board were not fully realized. Some strikes were conducted on a national level which, because of the economic and social results, brought into play government action, by way of seizure and injunction. Beginning in 1950, apparently there was a shift from the national strike to the selective or the so-called 'whipsaw' strike against one or a few of the railroads. . . . The effectiveness of the selective strike lies partly in the fact that since all railroads have a highly interdependent wage structure, a successful strike resulting in a change in the wages of the employees of the struck railroad eventually works a change in the wages of operating employees of other railroads, aided, of course, as all strikes are, by the fact that the railroads are required, under the Railroad Unemployment Insurance Law, to provide benefits for the strikers from a fund contributed to solely by the railroads."

The judge then turned to the dispute at issue—the Long Island strike, which grew out of BRT demands for a five-day work week in short-turnaround passenger service without any reduction in the pay received for a six-day week. He recalled that the railroad agreed to arbitration, but the union didn't. And, when an emergency board was created, "the BRT refused to cooperate with the Presidential fact-finders and refused to accept the recommendation of the board that they withdraw their demands." Later, Judge Ryan commented, the union "refused to settle . . . at the Long Island's suggestion on an even more favorable basis than the board had suggested."

Part of the BRT charge rested on a contention that, since LIRR was then operating at a loss, income from strike insurance made it more profitable for the road to cease operation than to continue—and that such a situation was, as a matter of law, incompatible with a bona fide effort to settle the dispute.

Judge Ryan, citing an opinion of the Supreme Court that "there is simply no inconsistency between the application of economic pressure and good-faith collective bargaining," found no violation of the RLA. The strike-insurance plan, he ruled, "was not a violation of defendant's duty to bargain in good faith; indeed, it might well be viewed as an attempt by the railroad to follow the procedures of the [Railway Labor] Act in an effort to reach a peaceful settlement and to avert a strike."

And as to the alleged violations of other federal statutes:

- The anti-pooling provision of the Interstate Commerce Act, the judge said, "does not encompass pools whose sole concern is labor-management relations." Numerous decisions, he added, show that the purpose of the section was to prohibit arrangements to suspend competition by apportioning the business and dividing the pooled earnings in fixed percentages.
- The union charged that the railroad industry tried to "rig the price which it will pay for the essential ingredient of labor," in contravention of the Sherman Act. But, the judge said, the Clayton Act holds that, for purposes of the antitrust laws, "the labor of a human being is not a commodity or article of commerce." Further, he said, the Supreme Court has noted that interruption of commerce arising out of a bona fide labor dispute does not come within the Sherman Act.

Profit Picture Poor, Says Symes

The railroad earnings outlook for the next six to eight months is not good, according to James M. Symes, chairman of the board of the Pennsylvania. Writing in the First National Bank of Chicago's "Outlook for Business," he said the volume of traffic will be about the same as in 1962 when earnings for the industry "were extremely unsatisfactory. The forces which we believed would lead us to expansion in the 1960's are not yet at work, and unless the economy is sparked with tax reductions—or an international incident takes place—we most likely will be confronted with a gradual decline next year."

YOU OUGHT TO KNOW

Labor support for the railroad industry's general position on piggybacking has been registered with the ICC. The Railway Labor Executives' Association opposes the new piggybacking rules proposed by the Commission in the Ex Parte 230 case (RA, Oct. 15, p. 9). The proposed new rules, which are favored by truckers, would circumscribe the development of piggyback service, RLEA said. It also asked the Commission to condemn penalty charges demanded by the Teamsters Union from truckers who use piggyback service. The AAR's presentation recorded the industry's general position in opposition to the proposed rules, but would have the Commission deal with the penalty demands by adopting a rule stipulating that "no carrier shall pay to any labor organization . . . any sum of money because property will be or has been transported by another mode of transportation."

Truckers expect 1962 to go down as one of their three best years since World War II, according to C. L. Sanders, president of American Trucking Associations. He said net earnings for the year, like 1955 and 1959, "reflect a strong rebound from periods of adverse business conditions during which motor carriers had to tighten their belts to survive."

More time has been allowed by the ICC for filings in the cost-accounting case. Deadlines for presentations and replies thereto have been set back, respectively, to March 1, 1963, and April 1, 1963. The case is No. 34013, the rule-making proceeding wherein the Commission proposes to expedite competitive-rate cases by adopting as its own several cost formulas and studies derived therefrom which have been developed by the Cost Finding Section of its Bureau of Accounts (RA, May 14, p. 10, and Sept. 24, p. 19).

Research projects in transportation—225 of them—are listed by subjects, and names of persons or organizations conducting them, in a 50-page brochure issued by the Transportation Association of America, 1710 H St., Washington 6 (price 50 cents). About 20% of the projects are being conducted by government agencies, primarily to benefit railroads' competitors. But what many consider to be the biggest transportation problem of all—how to divide available capital economically among the several agencies of transportation—doesn't appear to be under investigation.

Six-day rail freight service to Dover-Foxcroft, Me., has been inaugurated by the Maine Central. The plan involves MeC use of Bangor & Aroostook trackage to deliver cars arriving via the former on days when the BAR has no service into the area.

Timken expects orders for freight-car roller bearings to be 10% higher in 1963 than in 1962, says M. S. Downes, general manager—sales—Railroad Division. Mr. Downes noted that 75% of all new freight cars ordered in 1962 were equipped with roller bearings—compared with 10% in 1957.

"How Bootleg Trucking Hurts You" is the title of a booklet being circulated by the Committee Against Unlawful Transportation in an effort to stimulate public interest in the "gray area" problem. The end result of illegal trucking, warns CAUT, can only be "higher transport rates to the nation as a whole which will be passed along to the consumer in the terms of higher prices."

Revue and Outlook

The next issue of Railway Age, the annual REVUE and OUTLOOK, will be dated Jan. 7-14, and will be mailed Jan. 11.

A $1,376,000 clearance project will be started by Louisville & Nashville on its main line between Cincinnati, Ohio, and Knoxville, Tenn., about Jan. 1. The project, scheduled for completion in mid-1963, includes removal of one tunnel, lowering of track in 10 others, and raising five overhead bridges.

An embargo against rail movements of export and coastal freight to strike-bound Atlantic and Gulf ports was announced by the AAR on Dec. 26. A walkout of longshoremen tied up the ports. Exempt from the embargo is military freight consigned to installations at the ports, petroleum in tank cars scheduled for unloading into storage, and freight consigned to Seatrain Lines which established its own embargo. The AAR embargo also embodies a permit system under which movements of any freight for storage at the ports may be authorized. "Cuban mercy shipments of food and medicine will be handled under special arrangements," the AAR said.

Information on carload routing practices of shippers and railroads is being sought by the ICC in view of questions as to such practices which have been raised in merger cases. The special inquiry has been made part of the Commission's continuing waybill study, and the implementing order requires that the routing information be filed by Jan. 18, 1963.

Suggested design features of a standard wood chip car have been approved by the Southern Paper Manufacturers Traffic Conference and the Southeastern and Southwestern Technical Committees of the American Pulpwood Association. The approval covers "several general features that members would like railroads to consider when planning the construction of new cars or altering existing cars."

A proposal to demolish New York's Pennsylvania Station and build a smaller terminal, sports arena and two large office buildings on the prime midtown site will be the subject of a Jan. 3 hearing scheduled by the New York City Planning Commission.

Do Box Cars Require Excessive Switching Time?

In his new book on railway cost finding* E. C. Poole estimates an average of 90 minutes of switching time to originate and terminate a loaded box car, and only 40 minutes for such terminal switching of a tank or hopper car.

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Even though incoming box cars are loaded outbound more often than are hopper or tank cars, Mr. Poole finds that added switching is usually required to spot box cars for reloading —and box cars seldom get multiple-car switching movement, which happens more frequently with tanks and hoppers.

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*Costs—A TOOL OF RAILROAD MANAGEMENT, published by Simmons-Boardman Publishing Corporation, 30 Church Street, New York 7, New York. 193 pages (8½ inches X 11 inches, soft bound) plus many charts and graphs. Price $6 per copy—liberal discounts for orders in quantity.

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Dishes with The Oatmeal

Is it economic or businesslike to try to levy the cost of 'accessorial' services on the patrons who do not want special services?

In Chicago on Dec. 4-6 the railroads' three principal rate associations held public hearings on a dozen or so proposals to increase charges for so-called "accessorial" services. The scores of patrons, and spokesmen for shipping interests, who testified were practically unanimous in their opposition to all suggestions that any of these charges be increased.

The railroads did not label these proposals as a "revenue case." They did not start out as they usually do in a "revenue needs" program by summarizing their unhappy earnings situation and proceeding, in effect, to take the paupers' oath. Perhaps this departure from the traditional ritual—as much as the proposals themselves—may have sparked the shippers' opposition.

Anyhow, if railroad people and shippers alike will reflect carefully on the situation, our belief is that both sides will conclude that this particular approach to the problem of the railroads' present and immediately foreseeable need for increased earnings is preferable to any available alternative. Differentiating in price between simple and more costly services is in full harmony with desirable overall rate modernization—in addition to the relief it would provide for immediate needs.

Years ago producers of oatmeal used to pack cups and saucers (not exactly of the bone china variety) with their product. When a housewife purchased oatmeal, nobody could be sure whether it was porridge she had in mind or a larger supply of crockery. A more up-to-date version of the same sales device is the handing out of "trading stamps."

All such inducements to customers have one characteristic in common: The awards are there for those who do not want them, as well as for those who do. The cost of the prizes is added to the selling price of the product; and this cost is levied on the customers who do not want the prizes, as well as on those who do.

Railroad service and rates have their full complement of dishes-with-the-oatmeal inducements. One of these is the "transit" arrangement—whereby, for a nominal charge or no charge at all, a shipment may be held up on its journey from the producer to the consumer, for processing or fabrication or storage.

The point is that the full cost of the service is practically never levied on the transit operation as such—a large part (and sometimes all) of the cost of this special service being included in the line-haul charge. The result is that the line-haul rate has to be higher, on the average, than would otherwise be necessary. The frequent result is, of course, that the shipper who does not want the transit service will refuse to pay for it, if alternative means of transportation are available to him, at a lower price, from agencies of transportation which make no transit allowances.

Another dishes-with-the-oatmeal service that railroads provide is so-called "free time" for cars held for loading and unloading—which is now two days at a minimum for both initial and terminal handling, and is frequently much more. Actually, "free time" is a misnomer. The time of a freight car costs *somebody* from, say, $2 to upwards of $10 a day (depending on the age of the car and its original cost). When four days or more of "free time" is allowed per carload, the cost of those days of car time is averaged out in charges to all shippers—including those who load and unload cars in less time.

The railroads retain the traffic for which expensive extra services are provided, and often lose the tonnage on which the shipper wants nothing but a simple haul from here to there. Such a trend is obviously not good for railroads—and it is just as obviously not good, either, for the customer who wants simple transportation service, without frills.

There is everything to be said, of course, in favor of offering accessorial services at the very minimum charge which will recover the added cost they occasion. This is just one more reason why railroads need to make more intensive studies of their actual variable costs—which, we suspect, are usually lower than the so-called Form A costs.

Still a Bargain

It is good business to provide accessorial services at a charge no greater than the additional expense incurred (i.e., omitting any charge for overhead, or interest, or taxes). But it isn't good business to suffer a net loss from such extra service, and then try to pass the loss on to shippers who do not want prizes; and who will take their patronage elsewhere rather than pay for frills they have no use for.

A perceptive railroad executive remarked the other day: "We have got to get more economics into our rate-making." That is precisely what the three territorial rate associations have endeavored to do, in seeking to meet revenue needs by making their accessorial services more nearly self-supporting. Railroad rate-makers are not the only traffic men who need to submit their behavior to the discipline of sound economic principles. The same course is incumbent also upon the industrial traffic fraternity.

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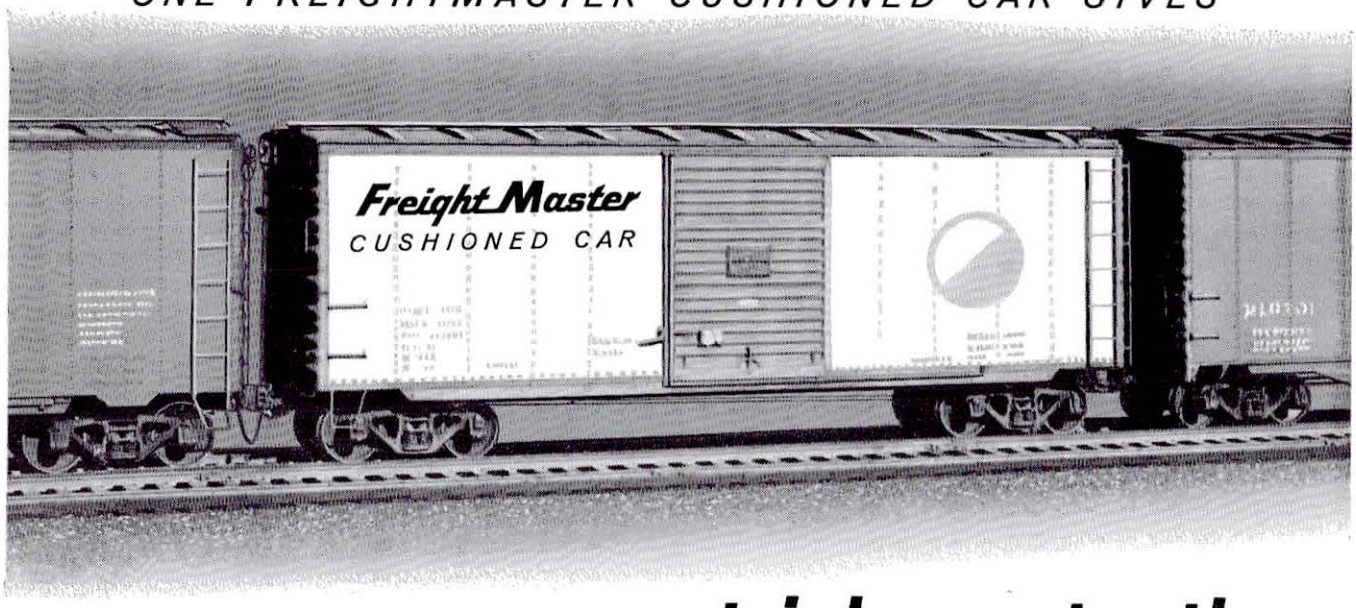

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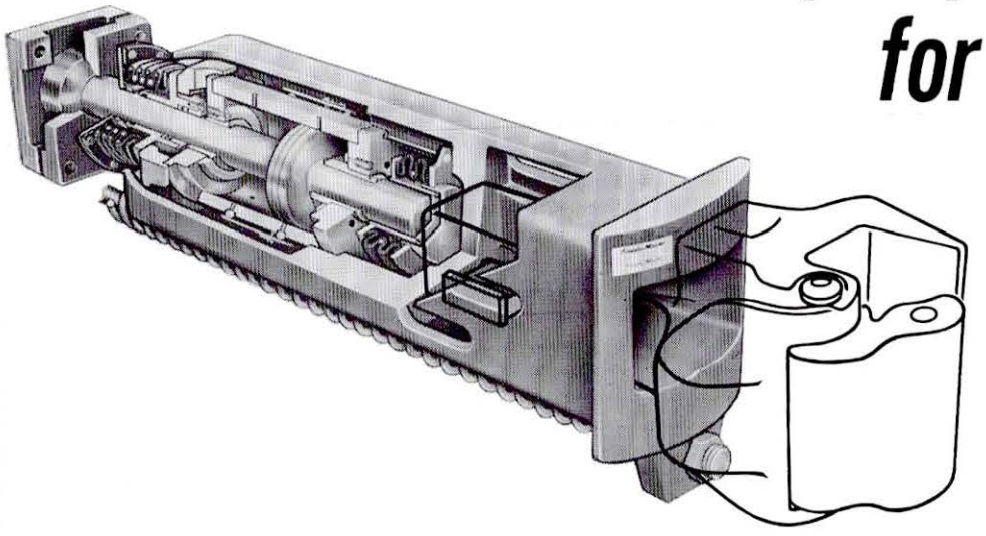

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